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ABSTRACT

A combined outreach and research initiative addressed the participation of Native American business owners in electronic commerce. E-commerce can provide many benefits to producers and consumers but does not ensure unmitigated economic success. It is only one part of a development process leading to achievement of tribes' broader social goals, including preservation of tribal sovereignty and self-determination. A discussion of five types of capital--financial, built (infrastructure), human, social, and cultural capital--examines the role of each in bridging the digital divide. Collaborative learning circles of Native business owners met at four sites in Arizona, Montana, and North Dakota, and interviews were carried out at tribal colleges, tribal small business centers, cooperative extension, and local organizations. Three broad themes that emerged were marginalization and exploitation; empowerment, sovereignty, and public policy; and the meaning of culture. Numerous needs and challenges were identified and are grouped in this report with extensive recommendations. These topics include: (1) access to business-related resources, including low-cost telecommunications, training, and parcel delivery to remote descriptive addresses; (2) credit and financing; (3) value chains and marketing; (4) building social capital (networking); (5) making the most of cultural capital (providing work and community services while protecting intellectual property and cultural values); (6) enhancing human capital (tribal college role, training needs, culturally sensitive training); and (7) enhancing tribal assets. Appendix lists learning circle discussion questions. (Contains 46 references.) (SV)

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Corry Bregendahl and Cornelia Flora
North Central Regional Center
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Executive Summary

This project was initiated to address the participation of Native American business owners in e-commerce. The data-based approach combines research with outreach and provides recommendations for developing a culturally appropriate technical assistance and training program to help disadvantaged Native American business owners transition into the new technological era. This program is expected to contribute to economic self-development efforts that are expected to achieve broader nation-building goals necessary for tribal sovereignty and self-determination. Research was conducted by facilitating learning circles on four reservations across the country and engaging in dialogue with tribal colleges, cooperative extensions, tribal small business centers, and local nonprofit organizations. Collaborative learning circle participants are current or prospective Native American business owners.

A number of themes emerged that were important to Native American business owners, including 1) marginalization and exploitation; 2) empowerment, sovereignty and policy; and 3) the meaning of culture. Specific opportunities and challenges are presented and grouped as an effort to identify and understand key areas that should be addressed when designing an effective outreach program. They include 1) services and access, 2) credit and financing, 3) value chains and marketing, 4) building social capital, 5) making the most of cultural capital, 6) augmenting human capital, and 7) enhancing tribal assets.

Results of this research show that Native American business owners recognize serious barriers to business development on reservations due to a lack of infrastructure. However, they also recognize that they face significant social and cultural obstacles. Mainstream cultural control has created many of the conflicts Native American business owners currently face as they try to integrate more mainstream approaches into their business strategies. If the mainstream expects to contribute in any way to the self-development efforts of Native American tribes, it must do so in culturally appropriate ways. This will be achieved by offering Native American business owners appropriate access to built capital, social capital and human capital. However, access alone is insufficient. Quality of inclusion is important too, as is reform in federal policy that recognizes their unique needs. This requires learning about how to engage in equal partnerships and the participation of and consultation with populations that will benefit from technical assistance and training. The strategies recommended in this report for tribal and mainstream groups are offered as options to achieve broad nation-building and sovereignty goals. Some options will use existing resources while others will

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require investments of new resources. If properly designed and delivered, technical assistance and training will strengthen social, human and cultural capital both within and between groups that can contribute to tribal economic development and serve as resources for everyone involved.

Introduction

The North Central Regional Center for Rural Development, with funding from the United States Department of Agriculture, Cooperative State Research, Education, and Extension Service, is involved in a combined research and outreach initiative that addresses the participation of Native American business owners in electronic commerce. E-commerce uses Internet technology to conduct business transactions that include selling directly to consumers (Internet retailing or "e-tailing"), marketing, purchasing, electronic conversion and transmission of data, and business-related research. Businesses that incorporate e-commerce into their daily operations often financially benefit via business-to-business transactions and business-to-consumer transactions. Business-to-business transactions using Internet technologies can provide competitive advantages by reducing operating costs and increasing productivity. Associated activities include developing systems and software support and automating business operations for order placement, product procurement, product distribution and inventory control (Leatherman 2000; Sousa and Valvo 2001). Business-to-consumer transactions involve direct sales to the final consumer and may expand or open up new markets while simultaneously reducing the long supply chains characteristic of more conventional storefront strategies. Business-to-consumer e-commerce also provides an open forum for comparison-shopping and connections between consumers to exchange product and service information. Knowledge obtained through e-commerce helps both producers and consumers make more informed choices that best suit their needs (Leatherman 2000; Sousa and Valvo 2001).

Despite the advantages that e-commerce can provide to both producers and consumers, it does not ensure unmitigated economic development success among marginalized populations such as Native American nations and tribes. To be an effective tool, e-commerce must be applied with careful regard to the special social and economic conditions of Native American culture. Moreover, successful application of e-commerce is expected to be only one part of a process that leads to the achievement of broader social outcomes. The protection and enhancement of tribal sovereignty and self-determination are two of these outcomes. While both concepts are linked to notions of independence, there is a subtle difference. Sovereignty is freedom from external political control (including the power to make and enforce laws, impose and collect taxes, and determine citizenship criteria), while self-determination is associated with the particular path a tribe chooses to follow in the process of managing its internal affairs (including the day-to-day administration of public services and programs). Both are outcomes desired by Indian nations and the federal government alike. This report attempts to

Definitions

Sovereignty: freedom from external political control

Self-determination: freedom to manage internal affairs

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outline ways in which these outcomes can be achieved through the development of a technical assistance and training program for Native American business owners.

Three Capitals

Attaining outcomes of sovereignty and self-determination will depend on access to resources and the ability of Native Americans to convert one type of resource into another type of resource (from financial to social, social to human, human to financial, etc.). For example, financial capital can be used to purchase and install computer equipment and high-speed phone lines. This is how financial capital is converted into built capital. At the same time, converting financial capital into built capital may trigger the production of social capital as banks, phone companies, federal and state telecommunications agencies and others communicate to carry out the installation. As stakeholders determine the need for and reception of telecommunications technology on tribal lands, new cultural capital may be created and defined. As technologies are adopted and used, human capital develops from initial inputs of financial, built, cultural and social capital. In this way, capital investments are continuously modified and converted into many different forms, and most are necessary components in any business enterprise.

Capital, Sovereignty and the Digital Divide

Capital investments (Table 1) are usually thought of in terms of financial capital—cash or goods used to generate income or to secure more resources. In addition to cash or goods, built capital, or infrastructure, may also be needed for a business to flourish. Transforming financial and infrastructure resources into profits and operation maintenance is possible with human and social capital. Cultural capital can provide a normative environment for the flow of capital. As is often the case of many rural enterprises, sources of natural or environmental capital such as soil, air and water are also important. However, as previous studies note, natural and financial capital alone are not predictors of the economic success of Native American tribes (Cornell and Kalt 1998). Hence, this report will focus on other kinds of capital—social, cultural and human—as they relate to the potential success of Native American businesses joining the e-commerce revolution.

At the very least, a telecommunications infrastructure is needed to provide Native Americans access to e-commerce. The presence of financial capital is important to convert money into infrastructure. Information technology, which includes establishing service providers and installing proper equipment to permit

transmission of electronic signals, may be scarce in rural areas due to the high cost of providing these services to a small and widely scattered consumer base. This lack of electronic infrastructure on remote and sparsely populated tribal lands is a formidable barrier to Native American participation in e-commerce. The resulting "digital divide" is the source of discussion in numerous reports detailing significant differences not only between urban and country dwellers, but also among people of color.[1] Differences within the same service areas, such as urban differences between black non-hispanics and white non-hispanics, as well as rural differences between white non-hispanics and American Indians/Eskimos/Aleuts (NTIA 1999), indicate there are more reasons, beyond the lack of infrastructure, that must be explored in order to understand the digital divide. These reports show that while it is easy to focus on barriers that challenge built capital—barriers that seem insurmountable in remote rural areas—accessible capital for minority populations must also be considered. Even though a report issued by the National Telecommunications and Information Administration (2002) claims the digital divide is decreasing for "people of every race" in the United States, this claim may be premature or perhaps too general since the survey design was such that data for the Native American population is unreliable.

As the results from this study show, infrastructure build-up alone is not a sufficient condition for the effective use of e-commerce within the Native American population. While it is an essential, basic requirement for the Native American business owners chronicled in this study, social, human and cultural capital

Table 1. Types and Examples of Capital Investments

Type	Example
Financial capital	Money, goods
Built capital	Infrastructure (phone lines, electricity, buildings, computer networks, water lines, sewer lines, etc.)
Natural capital	Land, water, air, scenery, minerals, soil, flora, fauna
Social capital	Trust and ties between people through connections such as family, friends, professional contacts, or organizations
Cultural capital	Values and symbols (customs, language, tradition, art, clothing, etc.)
Human capital	Education, skills and training of people (elders, youth, newcomers, long-term residents, outsiders, locals, women, etc.)

[1] See the series Falling Through the Net issued by the National Telecommunications and Information Administration. See also Riley et al., 1999; Casey et al., 1999; Johnston, 2001; and a report issued by the Office of Technology Assessment, 1995.

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were also found to be critical factors in influencing the adoption of e-commerce technologies. These three capitals typically receive little attention because they are more difficult to quantify than environmental or financial capital. However, difficulties measuring them should not minimize their importance in addressing the exclusion of certain groups from the current electronic age. The following discussion of the three capitals provides an explanation for the study results and the challenges facing Native American groups of business owners.

Social Capital

Social Capital

- Interaction between people
- Involves trust
- Mutually beneficial

Social capital involves interactions among people and is necessary for virtually every business transaction. Social capital is constructed through exchange relationships in which people transform and mobilize resources to achieve their goals. Social capital relies on 1) communication or contact between two or more people, 2) the norms and expectations that occur from such relationships, and 3) the trust that develops as a result of the interaction (Putnam 1995). All three factors are used to facilitate transactions.

Social capital encourages interactions that are mutually beneficial. For instance, social capital can be used to secure a job, find a babysitter, or organize a neighborhood watch program. In a commercial context, social capital can be used to link clients with needed services through producers, an arrangement that provides clear advantages to both. In one of the most well-known examples, social capital is used as a resource to foster trust among diamond merchants, which in turn helps them conduct business at a lower cost (Coleman 1988). Trust among merchants is developed informally and serves to reduce the insurance and bonding costs that would otherwise be incurred.

> In the process of negotiating a sale, a merchant will hand over to another merchant a bag of stones for the latter to examine in private...with no formal insurance that the latter will not substitute one or more inferior stones or a paste replica...In [the absence of this free exchange], the market would operate in a much more cumbersome, much less efficient manner. (Coleman 1988: S98)

The use of social capital among diamond merchants enables them to cut costs, thereby allowing greater profits and/or the enhancement of services for producers and consumers. For Native American business owners, social capital is a necessary resource for locating markets, accessing those markets, cooperating with producers

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of similar goods and services, procuring materials, and leveraging support for conducting trade in a culturally acceptable way. A particular kind of social capital, bonding social capital—generated by social networks among people or groups with similar interests, goals or values—will be necessary to link business owners with others who provide congruent or complementary services. Bridging social capital—which occurs between people or groups with different interests, goals or values—will be needed to connect with other parts of the production chain to ensure that Native American-owned businesses are responsive to changes in the market. Integration and access to both types of social capital will be crucial to the viability of Native American businesses and communities. Strong social capital is also a precondition for accessing stocks of cultural and human capital.

Cultural Capital

Cultural capital can be both tangible and intangible. Shared values, expectations, norms, language and customs are some of the intangible expressions of cultural capital which are often reflected in tangible form through clothing, books, machines, art and dance. In its institutionalized form, cultural capital even appears as the educational qualifications of an individual (Bourdieu 1986), or what many commonly refer to as human capital—the knowledge and information generated by culture that resides within the human mind. Cultural capital can be thought of as the filter through which people live their lives, the daily or seasonal rituals they observe, and the way they regard the world around them. It can be thought of in terms of the socialization process that serves to transmit values to others via various forms of communication. Whether people learn to share food or covet it, what career to pursue, or simply what they think is important, are all products of cultural capital.

Cultural Capital

- Values
- Expecations
- Symbols
- Traditions

In the case of adaptation to and adoption of new technologies among Native American business owners, cultural capital is critical. In this report, a distinction is made between the cultural capital of Native American business owners and the cultural capital of mainstream business owners. The distinctions are based mainly on contrasting values as they relate to how each group approaches business in different ways; contrasts are based on evidence gathered for this study. It should be noted, however, that comparing Native American values to mainstream values does not mean that all Native Americans (or all mainstream groups) hold the same values. General cultural differences among Native Americans need to be recognized and incorporated into culturally appropriate technical assistance and training programs.

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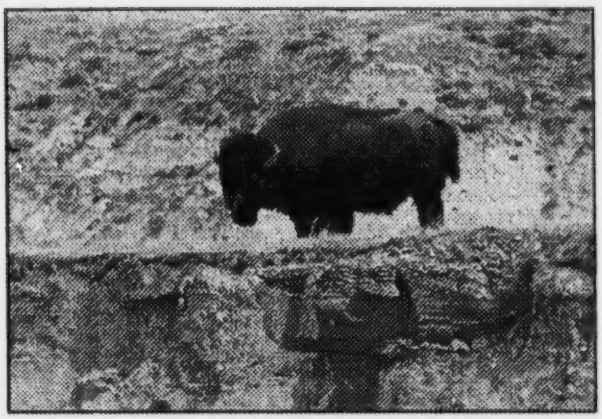

In many Native American cultures, members traditionally rely on the natural environment to guide practices and behavior. Non-native American's rejection of "the natural" has separated them from Native Americans because these values influence the way mainstream culture approaches business and commerce. The Native American business owners participating in this study emphasized harmonizing with, not controlling, nature. As one learning circle participant explained, "As Native Americans, the belief is not to waste materials and natural resources, to be thankful, and to only take what you need." Such beliefs can create conflict with mainstream economic development goals because they place different emphasis on the role of business. Mainstream attention to profits instead of environmental health, for example, can pit Native American interests against mainstream business interests in development efforts like mining. These value differences mean that business and technological use and innovation have developed along widely disparate lines in each setting.

Many Native American cultures promote values similar to those developing in international rural development policies, which redirect business practices towards achieving more sustainable social and natural environments. Native American cultural capital limits business ventures that endanger the environment or public health (in the broadest sense), whereas mainstream economies tend only to adopt environmentally sensitive acts as standard business practices if they are financially viable. Native American cultural capital has become important as a progressive model for contemporary business development in non-Native American societies; however, Native Americans have not fully participated in e-commerce because of its departure from the natural world. An appropriate training and technical assistance program will preserve the integrity of Native American cultures while also promoting effective economic development. The cultural capital held by Native American groups is a national and world asset and offers lessons for mainstream business development. Additionally, it can be directly used as a business product marketed by Native American entrepreneurs in tourism or arts and crafts enterprises.

Human Capital

Human capital is a form of cultural capital but is discussed separately to clarify the concept. Often defined as the skills and education of people, human capital is necessary for generating new ideas and providing the proper skills needed to run

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a business. Leadership skills, formal education, experience, training, or the social intelligence to collaborate well are all forms of human capital. Human capital is the source of knowledge that allows people to make informed decisions. It is needed to locate or synthesize relevant information, process that information, and apply it to the task at hand. Without the necessary human capital, people may not see ways to use e-commerce as a business tool. In the context of this project, human capital is the knowledge needed to invest in appropriate e-commerce opportunities that will benefit Native American populations. Such investments might involve applying computer skills to set up a Web page or understanding loan application procedures or business plans to begin new commercial initiatives. Human capital, like social capital, relies on interaction with others to share information. What information is passed on, how it is passed on, and with whom depends upon a combination of social, cultural and human capital resources.

Human Capital

- Skills and education of people
- Leadership ability
- Collaborative ability

Capital Exclusion

The potential for Native American participation in e-commerce is mixed based on access to various kinds of capital. Tribes face many kinds of exclusion: they often live in remote rural areas with access to few basic services (geographical exclusion), have few financial resources at their disposal (economic exclusion), and are guided by ethics that are not traditionally valued by the dominant culture (cultural and social exclusion). These types of exclusion have limited tribal groups' opportunities to forge quality business contacts with outside entities, consequently creating serious communication barriers. Historically, contact between mainstream and Native American groups translated into inequitable patron-client relationships so that mainstream groups could acquire tribal resources (Adams 1988). Today, e-commerce strategies have the potential to help change inequitable relationships by building social and human capital and preserving cultural capital. Changes in the global economy, especially in regard to the electronic economy, provide an incentive to address many types of exclusions that Native Americans face. This research is one step closer to overcoming those challenges. However, critics may claim that such research perpetuates the Western assumption that artificial technology-driven values are superior to Native Americans "natural" values (Mander 1991). In response, two assumptions of the research platform advocate the contrary in favor of the preservation of Native American values: 1) The mainstream should incorporate more Native American values into the functions of society, a trend already underway (to a very limited extent) in the sustainability movement of Western countries; and 2) as critics themselves argue (Mander 1991), mainstream society has an obligation to ensure that everyone has equal access to collective knowledge.

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Methods

The North Central Regional Center for Rural Development worked with tribal colleges, cooperative extensions, tribal small business centers and local non-profit organizations to identify appropriate training and technical assistance strategies that will strengthen Native American-owned businesses. After careful consideration, an advisory panel selected interviews as their research method because the panel believed they would be more culturally appropriate and effective.

Focus Groups Versus Learning Circles

The panel then needed to decide on the type and structure of the interviews that would be relevant to the setting and subject matter. Focus groups and learning circles were the two primary data collection methods considered, since both would be able to deliver detailed qualitative information that was sought for this study. The advisory group decided that learning circles were more appropriate than focus groups. Even though both strategies are similar, they do have distinct differences. Articulating the following similarities and differences was an important step in selecting the methodology that would offer the most participation and best fit with the relevant tribal cultures:

Similarities between focus groups and learning circles:

- Both focus on a specific topic.
- Both are comprised of a small group of participants and a facilitator/moderator responsible for keeping discussions limited to the selected topic.
- Both rely on narrow personal experiences as a valuable conduit for linking the personal with the social. In other words, the individual experience becomes nested within broader discussions of general, more abstract lessons and topics.
- Both value the diversity of multiple participants, contributions and viewpoints.
- Both encourage interaction among participants and produce group synergy unattainable through individual interviews.

Differences between focus groups and learning circles:

- Participants each have diverse life experiences because of their varied social categories and respective contributions. These differences are used to legitimize diverse viewpoints within a common theme of discussion.

While learning circles also celebrate diversity, they go one step further in trying to bridge differences. Learning circles strive to dismantle boundaries and avoid assigning value to different kinds of knowledge that may be implicit among the social categories in focus group discussions.

- Learning circles expect all participants, regardless of constructed social grouping, to be learners rather than experts. This distinction is not made explicit in focus groups.
- Learning circles are task- and action-oriented to benefit participants, whereas focus groups are usually conducted for program or product development as performed by others, with benefits to participants only as a possible (but not intended) by-product of the session. In contrast, learning circles include participants in the action process rather than taking information from them to help foster work that *others* do.
- A purpose of learning circles is to articulate common group goals and establish a plan to achieve them; neither group goal-setting nor action is the motive in a focus group.
- Learning circles foster connections, trust and collaboration to help participants collectively identify and reach common goals. These networks and their qualities may endure long after learning circle sessions are over. In contrast, focus groups do not emphasize continued interaction outside the sessions. Learning circles are therefore a vehicle for empowering participants to build and share both resources and a capacity for action in their daily life.

The North Central Regional Center for Rural Development study collaborators conducted the learning circles (see Appendix A for a copy of the discussion questions) to exchange information about the topic in order to develop alternative assistance and training strategies. The learning circles were supplemented with individual interviews. Both the learning circles and interviews established a contextual background for the broader challenges facing Native American business owners.

Themes and Collaborators

Three telling themes emerged from the learning circle discussions that suggest what is important to Native American business owners: 1) marginalization and exploitation; 2) empowerment, sovereignty and policy; and 3) the meaning of culture. Learning circle participants further identified opportunities and challenges that need to be addressed in order to design an effective outreach program. They include: 1) services and access, 2) credit and financing, 3) value chains and marketing, 4) building social capital, 5) making the most of cultural capital, 6) enhancing human capital, and 7) enhancing tribal assets. The section

titled Enhancing Human Capital includes specific recommendations for delivering e-commerce related technical assistance and training (see page 51). The section on Enhancing Tribal Assets includes action items that different groups can pursue to achieve tribal sovereignty goals by using e-commerce (see page 56).

The results provide a basis for designing an outreach program. Note that in addition to interviews with Native American entrepreneurs and tribal small business assistance providers (including the Menominee Nation in Wisconsin), these results combine comments from learning circles held at:

- Chief Dull Knife College in Montana (Northern Cheyenne)
- Hopi Reservation in Arizona (Hopi)
- Little Big Horn College in Montana (Crow)
- United Tribes Technical College in North Dakota (the Three Affiliated Tribes of Fort Berthold, the Spirit Lake Tribes, the Sisseton Wahpeton Sioux Tribe, the Standing Rock Sioux Tribe and the Turtle Mountain Band of Chippewa)

While the results in this report do not represent the concerns of all tribes across the country, the information and perspectives offered by those who did participate make valuable contributions in helping understand the unique technical assistance and training needs of some Native American business owners.

A Unique Cultural Context

Business development efforts must be attentive to the particular cultural, social, economic and environmental needs of people and locations. This idea is gaining momentum in national and regional development policies that are gravitating towards locally-specific solutions and departing from cookie-cutter standards. Instead of being disregarded, social and cultural contexts should be the foundation for new development approaches. These contexts are increasingly regarded as a source of strength, not a weakness, in building unique cultural identities that enhance communities. The context provided by Native American tribes and reservations is no exception.

Marginalization and Exploitation

When it comes to e-commerce, Native Americans continue to feel marginalized. They convey the impression that they have been "left behind" and need to "catch up with the rest of the world." But as history has shown, being included

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rather than left behind has not always proved to be an advantage. In many cases, Native Americans were exploited when included in agreements with mainstream interests. It follows that inclusion in and of itself has not proven beneficial to these populations. This section will not cover the (nevertheless important) details of the past; instead, it links the effect of this history on the perceptions of the contemporary Native American business owner.

Many participants in the learning circles shared stories about their experiences with businesspeople who purchase Native American products at a low cost and then sell the same products at much-inflated prices, allowing them to pocket a high proportion of the profits. One tribal member said that an art gallery owner made him an offer that he could easily refuse because "what he was offering was taking a big percentage and what I was getting was going to be very low, so I didn't do it." Other experiences relate to clear cases of deceit: "I used to take my stuff over there to the Internet to [name], but then I found out that he didn't give me all my orders. He would change my design just a little bit and do it himself." Methods of more direct marketing are expected to ensure that tribal members reap a greater share of the financial rewards. E-commerce can link consumers with individual Native American producers and eliminate the potentially exploitative "middleman." This opportunity can provide Native Americans direct access to their markets and control over the means of production and distribution, allowing them to gain independence from the structures that have habitually oppressed them. However, direct marketing is not the only way to become autonomous. Networking with other Native Americans both at home and on other reservations to buy and sell products and services can supplement Internet efforts, based on the belief that tribal business owners will not exploit other tribal members.

Since Native Americans use many services that are provided only by the mainstream, dealing solely with Native Americans in all aspects of business may not always be a practical (nor desirable) solution. Relationships and trust must be built between Native American business owners and the mainstream, as indicated by one Indian tour company owner: "We always worry about insurance—liability. We carry some, but after this hailstorm, we wonder exactly what our insurance covers." Doubts about the policy and policy provider pose enough of a threat to the business owner that he fears he might lose his business someday. Part of the solution, he suggests, may be to strengthen the Native business presence. "I think we live in a part of the world that is going to be discovered soon and what we [must] do [now is] to establish ourselves as businesses before somebody else comes in and takes up the slack." In order to protect the thin strand of land tenure Native Americans do have left, this business owner recommends they root themselves firmly now.

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These examples point to the need for trust and transparency (open exchange of knowledge and information) in supportive aspects of business that connect Native American and mainstream worlds. These worlds are bound in a web of interdependence where complete autonomy for either is neither possible nor probable. Yet this will require a shift in the structures and relationships of the past to establish better links between the two cultures. Recommendations provided in this report specifically address the reformulation of those relationships that can benefit both groups.

Empowerment, Sovereignty and Policy

Building a foundation for trust and transparency will be instrumental in the process of reaching goals of sovereignty and self-determination. Yet what does that mean for a tribal nation? How does the status of a tribal nation differ from that of other nations or even the United States? What are the implications of that status on the ability of tribal nations to choose a course of self-development? These questions relate to notions of independence and have much to do with federal policy.

The Federal Trust Relationship

The relationship between a tribal government and the United States government is decidedly unique and has been described as one of domestic dependence. The Constitution, along with all branches of government, recognizes tribal sovereignty as an area of federal concern. In early treaties with Indian peoples, the United States pledged to "protect" Indian tribes, thereby establishing the mission as one of the bases for the federal trust responsibility (U.S. DOJ, no date). Details of the trust responsibility are not always clear, but according to a statement issued by the Department:

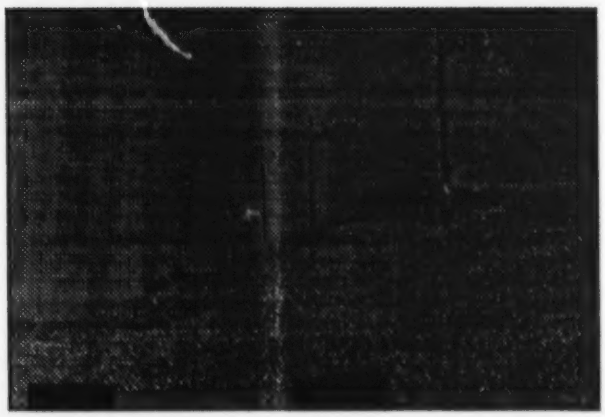
> In a broad sense, the trust responsibility relates to the United States' unique legal and political relationship with Indian tribes. Congress, with plenary power over Indian affairs, plays a primary role in defining the trust responsibility, and Congress recently declared that the trust responsibility "includes the protection of the sovereignty of each tribal government" (25 U.S.C. 3601). The term "trust responsibility" is also used in a narrower sense to define the precise legal duties of the United States in managing property and resources of Indian tribes and, at times, of individual Indians. (no date)

The federal government is thus entrusted with protecting Indian interests, including tribal sovereignty. Indian nations have the same rights and responsibilities as the United States government, with three important exceptions: tribal nations cannot wage war, issue currency, or engage in trade negotiations or agreements with foreign nations as a nation independent from the U.S. (they may, however, trade with them as any corporation or firm would). Despite these restrictions, tribal sovereignty is expected to contribute to outcomes that empower Native Americans to decide their own future. While sovereignty encourages Indian nations to pursue a course of self-development, policy hurdles still exist at the federal level that can interfere with these plans.

Jurisdiction of Indian Telecommunications

The Federal Communications Commission is talking with Native Americans to address their telecommunications needs in response to the tangle of confusing jurisdictional issues. Authorities are trying to sort out who has responsibility for and jurisdiction over which aspects of Indian telecommunications. According to federal policy on Indian sovereignty, Native Americans do, since they are not subject to local or state laws, but instead are accorded the power of "self-determination." Established by the Indian Self-Determination Act of 1975, these powers granted tribes (relatively) greater control over development programs administered by the Bureau of Indian Affairs, which historically was charged with making such decisions. Amendments have recently been added to the Self-Determination Act to extend tribal decision-making even further.

Although a principle of self-determination would seemingly be an easy directive to follow, it has been difficult to implement. As a general rule, state policy governs within-state telecommunications licensing, while federal policy is applicable across states. Specifically, states decide which carriers are eligible to receive federal funding for Universal Service, a program mandated by the 1996 federal Telecommunications Act to promote the availability of telephone service across the country for the un- and underserved. Yet if tribal nations are not subject to state law, who makes this decision on tribal lands? This question created a legal situation in South Dakota where the state public utilities commission contested tribal authority to determine which carriers were eligible to deliver Universal Service on tribal lands. In 2001, the FCC ruled that Indian sovereignty supersedes state authority to determine which carriers may be eligible for Universal Service funding for the delivery of telecommunications to Native Americans on tribal lands. However, the FCC also concluded that states retain the power to determine which carriers are eligible for Universal Service funding support in the delivery of



related services to non-Native Americans also living on tribal lands. This became an issue only because original federal telecommunications statutes failed to consider the designation of carriers *not* subject to the control of state commissions (FCC 2001). This is one of many loopholes in the policy fabric.

The Federal Universal Service Program

Advocates for Indian tribes have also argued that administration of the Universal Service program is flawed, not just the policies (Buller 1999). Oftentimes, it is delivered to "study areas" which may be entire states. Assuredly, reservations do not have the same telephone penetration rate as the surrounding state (NTIA 1999; Riley et al. 1999; Casey et al. 1999; Johnston 2001; and OTA 1995). Combining state telephone penetration statistics with reservation statistics erases variations in telecommunication needs within the study area. State eligibility standards for Universal Service funding are then applied to reservations, which have far greater needs than the state as a whole. Since funding for Universal Service is shared by both state and federal sources, some tribal leaders would prefer to be exempt from being classified along with states (Buller 1999). This would allow 100 percent of funding for telecommunications service improvements on reservations to come from federal sources rather than a smaller amount some reservations receive because their surrounding state is responsible for 75 percent of the program cost (with only 25 percent coming from federal sources). Also, those requesting a new phone line must often personally bear the financial burden for high installation fees. An exempt status, along with FCC prohibition of high initial construction costs charged by local carriers, would effectively overcome this major obstacle to Indian telecommunications service (Buller 1999).

Sovereignty and Wireless Policy

As the previous discussion shows, the Federal Communications Commission is already helping define the parameters of tribal sovereignty. In 2000, the FCC adopted a policy that explicitly recognizes tribal sovereignty of airspace over Indian lands, while continuing to control the issuing of licenses to carriers operating on these lands. This policy commits the FCC to "work with Indian Tribes on a government-to-government basis consistent with the principles of Tribal self-governance to ensure...that Indian Tribes have adequate access to communications services" (FCC 2000). Other goals and principles outlined in the policy encourage providing telecommunication service to Indian communities, which may include wireless. The creation of incentives for carriers to provide wireless service to reservations therefore will be a critical FCC activity.

Definition

Universal Service: As mandated by the 1996 Act, the goals of Universal Service are to "promote the availability of quality services at just, reasonable and affordable rates; increase access to advanced telecommunications services throughout the Nation; advance the availability of such services to all consumers, including those in low income, rural, insular and high cost areas at rates that are reasonably comparable to those charged in urban areas. [All] providers of telecommunications services should contribute to Federal universal service in some equitable and nondiscriminatory manner" (FCC 1996).

Encouraging wireless service to tribal lands must involve the elimination of policies that have served as barriers. According to testimony made by the president of the National Indian Telecommunications Institute, part of eliminating barriers will require an examination of how current FCC policies prevent Indian participation in information technology (Buller 1999). Many FCC policies were designed with urban areas in mind. For instance, policy that requires that wireless carriers have a minimum number of customers makes the delivery of wireless service to sparsely populated reservations nearly impossible. Another policy requires wireless towers to emit weaker radio waves than they are capable of transmitting to eliminate competition with other radio waves. This may be important in urban areas but is not an issue in rural areas where competition for radio waves is less intense. In rural areas, it is more advantageous to erect fewer towers with more powerful signals instead of more towers with weaker signals. Implementing urban-based policies like these is self-defeating in rural areas. As spokespeople for Indian nations argue (Buller 1999), remote reservations have unique policy needs. These are few among many issues that will command the attention of the FCC to achieve compliance with its 2000 affirmation of the government-to-government relationships it has with federally-recognized tribes.

Definition

Wireless Service: Communication services that rely on airwaves rather than wires to transmit information. Example: Cellular phones, satellite Internet service.

Local Empowerment

In conjunction with efforts led by Native Americans, the federal government is beginning to address the special jurisdictional issues posed by its domestic dependent relationship with sovereign tribal nations. But while the legal nature of the government-to-government relationship is established, Native American business owners wait. Although they are increasingly becoming more involved in the decisions that are being made, this group of entrepreneurs must often endure the lengthy bureaucratic process before they see progress. In addition to making contributions to the policy debate, there are other things Native American business owners can do. One focus should concentrate on implementing local-level initiatives and programs that deliver appropriate technical assistance and skill-building to Native American business owners. Tribal colleges have played a crucial role in this regard and should continue to do so because they provide a uniquely Native American approach to "rebuild, reinforce and explore traditional tribal cultures" (American Indian Higher Education Consortium 1999: A-3). As such, tribal colleges have the experience and expertise to manage the necessary training initiatives, as well as having the respect and confidence of Indian people (Davis 2002). Furthermore, because tribal colleges already have ties with tribal businesses, their role should not be overlooked in designing and delivering a training and technical assistance program.

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Optimizing local resources such as tribal colleges is expected not only to provide economic rewards, but emotional ones as well. Emphasizing these rewards will be critical in reaching goals of empowerment as business owners take reasonable risks and initiatives. One learning circle participant said success with using the Internet would increase the self-esteem of business owners. Comments on the need for building confidence were evident: "You have to look towards being successful. You have to believe in yourself." Confidence can be boosted at the local level by increasing connections between business owners. One learning circle participant suggested, "Possibly the best way in which these entrepreneurs could be served to learn about the Internet and e-commerce would be to hear from other successful business people that have used real world applications to achieve success in their own companies." Combining multi-dimensional approaches and partnerships will be key elements in creating a favorable policy environment at the national level and an emotional setting at the local level for nourishing entrepreneurial interest and enthusiasm among Native American business owners.

The Meaning of Culture

Native Americans face a unique challenge when it comes to conducting business because they operate in both tribal and non-tribal settings on a regular basis. As a result, they buy and sell goods and services from and to culturally distinct groups of people (Native Americans and non-Native Americans). The cultural context in which business transactions take place may require different behaviors; therefore, Native American business owners try varied approaches to cater to each type of client. Often, this situation can create a conflict among business owners as ease of production, raw material availability and the time it takes to produce a good or service may become critical factors in decision-making. For example, a flute player expressed the conflict he experienced as he tried to reconcile traditional modes of production with new ways of crafting his musical instruments: "In regard to the material, I fight myself mentally....First understand that it is really tough to go out and find the wood through the teachings—the straight grains with not too many knots—and just the lifestyle that I live, the belief that I believe in...I [get] a large chunk of cedar wood and by the time it dries and does its natural cracking, there is enough wood to do one or two flutes...I fight in my head [and ask] does it take away from the meaning of this flute that I make if I [were] to buy this wood from a lumberyard?...I do use modern tools: a table saw at times, sandpaper...and I feel that my ancestors, if they had had access to that...would have used that also." Modern conveniences, such as power tools, have made his old ways impractical, but the flute player has not lost his appreciation for the value of the old ways. He

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must struggle with the economic and spiritual choices of the past and present and determine culturally acceptable ways to continue his work within this new context.

Cultural conflict characterizes one dilemma facing Native American business owners, but when it comes to marketing tourism, they are very certain about the need for an "authentic experience." They agree that tourists want to buy from Native American business owners, a service they are eager to provide. Learning circle participants are not interested in selling commercialized, artificial products (an "anything goes" mentality), but rather want to transmit genuine symbols or at least similar derivatives of their culture through careful practices. Many—if not most—of their arts and craft skills are passed down through the generations. The process of crafting is meaningful, linking business owners with their ancestors and their past. It cannot be assumed, though, that these careful practices are acceptable to all within the community. Often, critics and elders within the tribe scrutinize the way in which these experiences are marketed and who is affected by this marketing. Business conducted among Native American tribes is a highly culturalized process with long-standing traditions and a ritualized way of living, as the flute example shows. The money-making aspect is secondary to community service and spiritual goals. The Native American business owners in the learning circles do not seek compensation beyond what they need: "We are just earning our living to pay the bills. That's all we have to live on."

For many of the business owners in the learning circles, business outcomes are multiple. Their enterprise must contribute to their clan, community and tribe; the business must allow members to remain in the community and connect them to the land; it must adhere to cultural values; and it must provide a reasonable income. For these Native Americans, business is closely knit to their culture. These goals, not economic ones, define success for Native American business owners.

Opportunities and Challenges

The unique cultural context offered by settings in which Native American business owners operate provides a variety of development opportunities and challenges. These are considered within seven thematic areas that emerged from the learning circle discussions: 1) services and access, 2) credit and financing, 3) value chains and marketing, 4) the need for building social capital, 5) making the most of cultural capital, 6) enhancing human capital, and 7) enhancing tribal assets.

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Services and Access

Native American business owners express difficulties identifying available business-related resources. This might include business plan advice, training, or links to federal programs for business assistance. A variety of resources are emerging to help in this regard, one of which is Native eDGE. According to their Web site (http://nativeedge.hud.gov/), Native eDGE is "an interagency initiative of the Federal Government to facilitate sustainable economic development" within Native American communities. In addition to sponsoring training courses free of charge, Native eDGE also hosts a comprehensive database of federal resources on its Web site and refers interested users to local federal contacts. Since April 2000, the site has logged more than 1 million hits, 40,000 of which have been unique visitors (Floyd 2002). More than 600 users are ongoing users of the site's eLab, which provides a list of federal resources available for specific projects once the user keys in information about current or future projects. Given the previous discussion on the digital divide facing rural Native Americans, it is not surprising that an initial analysis of Web site users revealed most were urban Native American individuals not living on reservations. Native eDGE therefore responded by adding information and links to help tribes, many of whom are rural, pursue community economic development (Floyd 2002). Continuous evaluation of the effectiveness of resources like Native eDGE will be important in ensuring that resources are meeting the needs of Native American business owners.

An additional challenge is that even if Native American entrepreneurs can identify helpful resources, they may not be able to access those services. Many feel they are underserved by the telecommunications industry and research proves they are (National Telecommunication and Information Administration 1999; Riley et al. 1999; Casey et al. 1999; Johnston 2001; and Office of Technology Assessment 1995). For example, the Hopi learning circle in Arizona identified the lack of a local service provider for Internet hook-ups (except for agencies affiliated with government or schools), meaning that residents and businesses have access only to non-local service providers. This requires dialing in to a long-distance number and paying long-distance rates for each minute spent online. Access alone is therefore not sufficient to promote Native American involvement in e-commerce; it must also be affordable and convenient. In addition to streamlining what services are presently available, complementary programs and services are needed to bring Native Americans into the world of e-commerce if they choose to be involved. Public-private partnerships that allow private businesses to access public telecommunications infrastructure can strengthen the entire tribal community as long as it takes place in a culturally appropriate manner.

Locating Supplies

Many goods and services needed by Native American business owners are not available locally ("I usually go off the reservation to businesses that carry materials to get the things I need") or are too costly if they are found nearby. Learning circle participants spoke of trips they make, sometimes to cities more than 100 miles one-way, to buy groceries or housewares. According to one bed-and-breakfast owner, "I'm a fanatic about people getting a change in something to eat, so I usually go to [the city] to do all of my shopping...It is less expensive to shop [there] even though you pay the gas mileage..." Another business owner buys Internet services in the same city 100 miles away. "I have a Web site. I hire an outside person [but] I'm sure there is somebody who could do it here on the reservation." Still others say they buy raw materials for their products from places all over North America: "I do carvings on horns, and I get them all the way from Alaska and Canada. I get most of my materials from various wholesalers, some in Texas and others in Idaho." Availability, selection and price are frequently cited as factors in decisions to buy outside the local area. Yet there is a cost involved in going off the reservation. Fuel is one expense, as is the time and fee associated with long-distance phone calls needed to locate the materials: "...occasionally I run into a situation where I need something special and that can sometimes be a problem. I usually start calling around to different people that I know...It is a little bit clumsy but it gets done." The process of locating needed materials is time-consuming, cumbersome and expensive for Native American business owners.

The Problem of Rural Addressing

Another issue confronting business owners is that even if they can locate materials, they may not be able to order and receive them easily. Learning circle participants expressed frustration with urban-based shipping and freight companies that refuse to deliver to a post office box. Residents on reservations, like those in many remote rural areas, lack a physical address and rely on post office boxes to receive mail. This is not a problem as long as the sender and recipient both use the federal postal system. But when trying to combine the delivery systems of private carriers (the drop-off point for the sender) with that of the postal service (the pick-up point for the recipient on the reservation), problems arise. Rural addressing is a way to combat this issue. Rural addressing is a nationwide campaign to create a system of physical addresses for each rural location. It was originally inspired by a need for numbering roads and houses as part of an effort to locate people more quickly to provide 911 emergency services to remote areas. Usually initiated at the request

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of county and state governments, agencies and associations, rural addressing not only improves the efficiency and timeliness with which emergency services are delivered, but also provides a physical address for shipping companies.

Tribal sovereignty poses a challenge when it concerns the establishment of rural addressing systems on Indian reservations where county and state governments typically play no role. Yet it also provides partnering opportunities. In northeastern Wisconsin, the Menominee tribal government cooperated with Menominee County government to establish rural addressing on reservation lands. The tribe's Community Development Program along with the county provided funding for the project, which is now complete (Bigfire 2002).

Aside from the Menominee example, little is known about the overall trend of adopting rural addresses on reservations across the country. Federal funding has been made available to help implement rural addressing programs on tribal lands through the Indian Reservation Roads Transportation Planning Funds, administered by the U.S. Department of Transportation's Federal Highway Administration (FHA 1999). Yet it is unclear to what extent the availability of federal funding has impacted tribal decisions to adopt rural addressing systems. In the case of the Sioux and Assiniboine tribes on Fort Peck in northeastern Montana, rural addressing only became a concern when state voter registration policies—not business or transportation problems—threatened their voting rights (Shanley 2002). The issue snowballed when the Montana state legislature considered a proposal to require registered voters to provide rural addresses (rather than a descriptive address). This measure excluded tribal members living on reservations from having a voice in state government. As this example shows, lack of rural addresses for the market sector can limit civil society participation. Policy measures must be thoroughly considered in terms of the implications such decisions will have on Native American tribes.

Regarding the issue of parcel service delivery gaps, strategic partnerships should be formed to support the development of Native American enterprises. As many have learned firsthand, without a physical address, shipping companies will not deliver. One Native American business owner noted, "[Our system] is just inconceivable to people who live in the city where everything is labeled." Urban-based models of service and parcel delivery systems were designed to function in settings very different from those on reservations. The urban delivery systems do not function effectively on notions of trust or networks, which are integral to rural delivery systems. In their defense, the metropolitan model cannot depend on faith that delivery drivers will "just know" where the customer lives, due to the size and complexity of the urban system. However, there is a rural perception that these

companies have not done enough to respond to their needs. This lack of corporate sensitivity and flexibility poses significant challenges on reservations where rural addressing is only beginning. Besides causing frustration of residents, the inability to receive or send packages is especially problematic for tribal members attempting to start or run a reliable business. The issue is not limited to parcel delivery companies, but their partners as well. One learning circle participant stated that her computer company attempted to deny her warranty on a defective computer because she did not have a physical address to which they could send a replacement box or the repaired unit. Only after "some real arguments" was she able to get her warranty honored. Bridging these and other gaps will be critical steps in building trust and new relationships between Native American business owners and mainstream interests.

The Problem of Wireless Access

Business owners contend they are also underserved by wireless communication and feel reliable cellular or digital phone service would help their business, as one participant relayed: "... I tried a cell phone, but I'm right in the bottom of [a] hole. In order for me to call anybody, I have to drive up to the top of Lame Deer Hill, which is about seven miles that way, in order to get anybody. If you drop over it, you're out of [range]." The daily routine of many business owners often takes them away from a residential telephone. Yet the telephone is frequently relied upon to conduct their business, which makes them debate if they should wait by the phone all day for orders to come in or if they should step out to pick up needed supplies and risk losing an important call. "When people call for a bed and breakfast who don't have a reservation—if they are on the road and are calling from a pay phone [and] if they don't talk to a person, they aren't going to leave a message... Unfortunately, by not having [a] means to forward a call or to have a cell phone to be able to answer, that person just goes away." Clearly, business owners need to be mobile but not out of reach. While some businesses are able to rely on e-mail contact for placing orders for products, others, like those in the hotel/lodging industry, need to establish immediate voice contact with customers.

A collaborative project in California called the High Performance Wireless Research and Education Network is tackling this issue. HPWREN includes measures to address the need for low-cost, modern technologies in disadvantaged Native American communities. The initiative was originally proposed by researchers at the University of California San Diego to the National Science Foundation, which is

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using the project as a model for its own Tribal College Wireless Project at minority-serving institutions. In the HPWREN proposal (Braun, no date), UCSD identified a need to research the possibility of delivering a low-cost, high-performance wireless network to rural areas, as commercial providers are presently unwilling or unprepared to do this. The project was intended to function primarily as "an applied test bed to address distance access issues over a relatively large rural area in general, and to assess performance characteristics of such a network" (Braun, no date). Such knowledge would be useful for enhancing communication capabilities of researchers in rural areas while improving distance education opportunities to rural Native American learning centers and schools. The latter goal would be accomplished by bringing low cost, high-speed (broadband) wireless service to un- and underserved populations in remote areas. The National Science Foundation granted $2.3 million to support the project.

The education component of HPWREN involves cooperation between the University of California San Diego team and the Southern California Tribal Chairmen's Association. The wireless infrastructure consists of a network of relay stations (towers) and low-cost radios that extend to the Pala Indian reservation. Other reservations were slated for participation in the network by 2001. The one-time cost for reservations wanting to get involved (but not included in the original proposal) is estimated at $10,000 for a relay station and $100 apiece for the necessary portable radios. A cooperative relationship emerged from the education component of the project between the Pala Learning Center (which administers a computer lab on the reservation) and UCSD (which provides Internet and graphic design learning).

The federally-funded High Performance Wireless Research and Education Network project was also used as a springboard to leverage private sector investment. After the wireless network reached the Pala Indian reservation, Hewlett-Packard, in the private sector, provided a $5 million grant—twice the amount of the National Science Foundation award—through the Hewlett-Packard Philanthropy Digital Village grant program. The monies were awarded to the Southern California Tribal Chairmen's Association to help underserved communities establish high-speed Internet connectivity. The grant included the provision of Hewlett-Packard products, services, consulting and venture capital. Now, the ultimate goal of tribes is to gain tribal control of the reservation's digital network, which is expected to contribute to tribal sovereignty among the 18 county reservations that are expected to eventually cooperate. This will be achieved through multiple collaborations between the HPWREN team based out of UCSD, the SCTCA board comprised of one member from each tribe, Hewlett-Packard representatives and San Diego State University.

The Southern California Tribal Chairmen's Association board is responsible for cooperating with tribal agencies and members to gather their input. By encouraging Indian participation in the project, intra- and intertribal cooperation and relationships with outside agencies, the project appears to empower disadvantaged tribes to not only "better understand information technologies and the opportunities they enable" (Twist 2001:3), but also to build social relationships that may improve the telecommunications network and the quality of life on tribal lands. One lesson to be learned from the project is that those serving multiple purposes—social, economic, environmental—may be in a better position to receive funding by widening the scope of agencies and institutions that are interested in collaborating. Moreover, the multi-collaborative and multi-disciplinary nature of projects such as the High Performance Wireless Research and Education Network serve to foster public and private sector relationships between Native American tribes and mainstream cultures. Yet it is important to recognize that tribes in some areas may have more difficulty establishing relationships with the private sector due to regional differences in the availability of private funding for tribal development. Notwithstanding these differences, such relationships can benefit everyone involved in equitable circles of inclusion.

Credit and Financing

Learning circle participants note that start-up costs related to e-commerce efforts may be expensive, regardless of the availability of outside funding sources. Locating sources of credit and capital is a key component in supporting Native American transitions into e-commerce. Financial capital—such as debt, venture or risk, equity and seed capital—is needed for investing in new ideas or making capital improvements. Different kinds of financial capital can be raised in a number of ways. Seed capital is used for initial investments such as product development and market research. It may be thought of as a type of "pre-capital" that is used to determine the potential for new business ideas. Another kind of capital is venture or risk capital, which are funds leveraged to help establish start-up firms with the potential for growth in return for partial ownership of the firm.

Once firms have been established, they have options for generating other kinds of capital to sustain their operations. Shares in a company may be sold as stocks to raise money from owners and/or investors buying a "piece" of the company. These investors seek returns on their investments, otherwise known as equity capital. A firm may also raise capital through the process of borrowing—in other words, taking advantage of their debt capital options. When a company or government chooses to borrow, bonds are issued. The company makes a promise to pay back

the principal, with interest, as in a consumer or commercial loan. In this way, businesses generate funds needed to support operations while taking on debt to be paid back at a later date.

Securing Capital and Credit through Sound and Creative Business Plans

The ability to generate capital to start or maintain a business can often depend on the soundness of the business plan. Business plans are drafted to ensure that all aspects of running a business, from budgeting to supplying labor and equipment, have been considered. A profit cannot be made if costs are more than the expected income, which is determined by current market prices based on principles of supply and demand. Equipment and technical training can be costly, so a lack of venture capital may be a significant barrier. Yet there are creative alternatives in meeting the information technology needs of these businesses, including exchanging services for marketing. As one tour operator noted, "Because we didn't have a very big budget for any kind of advertising, we contacted *Western Horseman* and invited them on a ride. That resulted in them allowing me to write an article that was published in [the magazine]." In this instance, social capital helped transform a business need into a financial opportunity. While some business owners have found that unconventional bartering relationships work to meet some of their service requirements, this approach may not be appropriate for all aspects of running a business. Because bartering, for example, is not likely to provide a compelling reason for lending institutions to grant business loans, the need for technical assistance in drafting a well-balanced and appropriate business plan is important. Such technical assistance should be flexible enough to incorporate local normative systems of trust and trade into meeting business needs, while at the same time being realistic enough to recognize that not all needs can be met through such systems. Tribal colleges can be involved in receiving and conducting training to ensure that the advice business owners receive includes all of the critical elements of a sound business plan.

Credit Barriers and Solutions

Some learning circle participants feel that credit is a limiting factor for prospective business owners: "The economy is so bad on the reservation. Indian people have bad credit. We have a history of it." Getting behind on bills or not being able to pay them at all will have a serious impact on the ability of businesses to generate capital or secure loans. In South Dakota, the Cheyenne Sioux River reservation is taking a look at this problem by establishing a start-up loan fund through an Indian-owned, nonprofit Community Development Financial Institution (Fogarty 2002). As a nonprofit organization, the CDFI is eligible to apply for federal grants and work with reservation-owned businesses to raise funds for small business loans,

as well as provide assistance to entrepreneurs. The local tribal council has insisted that the fund be set up as a private nonprofit to prevent it from getting caught in any "political frays" (Fogarty 2002). Local banks have also made donations to the fund.

Even though banks are often mentioned as one source of credit problems, they can provide solutions. In Montana, First Interstate BancSystem, with branches in Montana and Wyoming, was both. Evidence of discriminatory lending practices or "redlining" prompted leaders of the Northern Cheyenne tribe to file a complaint against the bank. Tribal leaders cited the bank for violating the federally mandated Community Reinvestment Act, which requires financial institutions to meet the needs of the communities not only by letting them take local deposits, but also making loans. The objection of tribal leaders brought Native leaders, activists, federal regulators and bank personnel together to engage in negotiations. The final result was a compact detailing "specific goals toward which the bank agreed to work, including expanding lending programs to Indians and addressing tribal-member credit needs" (Selden 2002). The negotiations also resulted in tribal adoption of a uniform commercial code. The code establishes formal operating procedures which help ease investor anxieties about conducting business on reservations (Selden 2002) and provide assurances that procedures will be followed if borrowers default on loans.

Definition

Redlining: Discriminatory lending practices.

Today, relations between the bank and the reservation appear to be improved after resolving the dispute. The bank even opened a new branch on the reservation and employs mostly tribal members. The bank cooperates with a Native American Development Corporation to develop a micro-loan program for small businesses owners. Furthermore, the bank hosts an internship program that recruits students from tribal colleges; sponsors grants for new reservation housing; and co-sponsors consumer education seminars on cleaning up credit, drafting a business plan and applying for business loans (Selden 2002).

Without overcoming obstacles to credit (including discriminatory lending practices or poor payment history), business owners may not have access to services they need to start a business, such as telecommunications. Evidence of this issue became apparent when researchers tried to visit a Web site managed by a business owner in one of the learning circles. Instead of product information, the viewer was greeted with the following notice, authored by the service provider: "The Web page you have requested resides on our server, however, due to lack of payment we have been forced to move it into hiding. You may wish to check back at a later date when payment has been received as we will put the site back up if the owner wishes."

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E-commerce is virtually defined by the telecommunications industry; without access to phone lines, pursuing such a business strategy is impossible. Federal funding in the form of telecommunications grants already allows some Native Americans to gain access to phone service at a minimum price. In June 2000, the Federal Communication Commission released a policy statement describing the challenge of Indian populations to receive equal and affordable access to telecommunications technology offered in other (generally urban) areas. The statement conceded that Native American populations are seriously under- or unserved. In areas characterized by low income and low population densities, the FCC is acting to eliminate barriers to increase telephone subscribers through the creation of programs like Lifeline. The Lifeline Program offers aid to qualifying families to reduce the monthly cost of basic local phone service. Another federal initiative—the Link Up program—provides aid to reduce the cost of the initial connection fee, although neither program overcomes the common problem of high long distance charges. This is especially noteworthy because most calls made on reservations are long-distance. Business plans need to explicitly address the issue of telephone service and long-distance fees since most business owners will not have access to a local Internet provider.

Having a good business plan is merely one critical step in supporting Native American business development efforts. A nation-building plan is even more important according to results from the Harvard Project on American Indian Economic Development (Cornell and Kalt 1998). The brunt of a nation-building strategy involves attracting potential investors, broadly defined as "anybody with time or energy or ideas or skills or good will or dollars who's willing to bet those assets on the tribal future" (Cornell and Kalt 1998:7). A nation-building approach must focus on building the proper environment to encourage multiple investments rather than taking on a limited approach by starting one or two businesses. This type of environment will be necessary for achieving outcomes of self-determination and sovereignty by encouraging stable institutions and policies, fair and effective dispute resolution, separation of politics from business management, and competent bureaucracies (Cornell and Kalt 1998). Nation-building will require the use and nourishment of significant stocks of cultural, social and human capital to foster healthy relationships that lead to self-development.

Value Chains and Marketing

For many learning circle participants, culture is the mainstay of their business. "Cultural authenticity adds value to cultural products" (Odasz 2000). Hence, finding ways to market the culture is vital to Native American business owners' incomes. Marketing is one link in the value chain, which includes both supply

and demand chains, and attempts to link products and services with end users. The value chain describes the range of activities required to produce goods or services and connects production inputs with the final consumer. In the case of the Native American business experience, eliminating middle links or activities like packaging, marketing campaigns and product distribution is desirable because this is where much of the producer's profit is traditionally lost, except in vertically integrated systems where the owner controls a majority or all of these "top-to-bottom" aspects. One of the major motives of streamlining value chains is to ease uncertainty while increasing efficiency and customer service (Sousa and Valvo 2001). In a sense, Native American business owners are attempting to create small versions of vertically integrated corporate structures by making the leap from producer to retailer in one fell swoop. In so doing, the value chain is shortened and risk is reduced. On the other hand, there are opportunities for Native American entrepreneurs to become this middle link, like those entering the world of information management.

Definition

Value chain: The range of activities required to produce goods or services that connects production inputs with the final consumer.

Reaching Distant Markets through E-Commerce

If producers begin to connect and identify with their consumers by doing their own marketing and production, the value chain will shorten. Target markets vary depending on the product sold or service offered. In the case of Native American-owned businesses based on cultural sales and services, many tribal members make a distinction between local markets on the reservation and outside markets. They also recognize consumer differences as distinguished by three groups: Native Americans, mainstream Americans and Europeans. Local demand, which is a predominantly Native American market with some mainstream demand, is generally low. Outside demand is higher than local demand, and involves mainstream and European markets. Hence, artisans claim they get better prices for products sold outside the local area, or extra-locally, rather than those sold at home because the demand is higher. Because the local market is limited, more efforts target off-reservation sales; therefore, it is important that off-site markets be reached over long distances. E-commerce is a potentially inexpensive and efficient way to reach these markets. Learning circle members have the perception that Europeans appreciate American Indian culture more than mainstream Americans, and identified Europeans as a potentially strong client base. The Internet can easily reach these markets, providing instant access to Indian arts, crafts and culture to overseas customers who would otherwise be inaccessible.

Learning circle participants suggest there are few places for artisans to display their work on the reservation, leaving on-site visitors with limited possibilities to view or be exposed to Indian arts and crafts. One learning circle participant deliberately chooses not to market his artwork on the reservation, because "there

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is no place to display it and...you're making minimum wage....It's like buying a piece of bubble gum to [my clientele outside the reservation] where for [people on the reservation] it would be like buying a new car." Visitors to reservations will feel the pinch, since local sales and marketing are usually based on word-of-mouth, and visitors are not part of the local networks. The situation is worsened by the fact that for many business owners, an entire marketing scheme hinges on a stack of business cards. Newcomers have little access to local product information because of this "coincidental" kind of marketing that does not have established outlets. The level of visitors to the reservation is often not enough to warrant a change in local marketing efforts. Only some entrepreneurs are currently using more outside-oriented means like the Internet and brochures to market their products. However, e-commerce offers opportunity for both on- and off-site marketing.

Discussion in the Little Big Horn and Chief Dull Knife Learning Circles centered on tourism-related business ventures. Because learning circle participants were interested in these activities, this report relies on those experiences although sectors not related to tourism and/or arts and crafts can also benefit from Native American involvement in e-commerce. For instance, members from the learning circle conducted at the United Tribes Technical College mentioned shortening the value chain by applying tools of e-commerce to consulting, construction, trading and office supply businesses. Other Native American-owned companies are using e-commerce to pursue information management or information technology opportunities. Laducer & Associates (see inset article, p. 38) is one such company and is one of the largest privately-owned American Indian corporations in the country (Gardyasz, no date). Employees of Laducer & Associates enter form data into computers for federal clients and the private sector, producing a final electronic product that is "shipped" via secure sites over the Internet. Enterprises like these illustrate the success and future potential of Native American business development that focuses on something other than the sale of indigenous culture.

In addition to tapping a variety of business-to-business opportunities, e-commerce can also be used as a marketing tool in business-to-consumer transactions. However, marketing should not rely solely on electronic forms of communication. According to business owners, e-marketing strategies should be supplemented with personal contact either through local exposure or outside contact at conferences, economic summits, shows, fairs and other events. "We started going to these arts and craft shows back in the fifties. When they saw our work, they knew it was handcrafted by the original...We just built up our volume there." The contacts business owners make while traveling are invaluable in creating other business opportunities: "One of the other things that helps [is that] I've been doing some shows with some pretty big name artists and they are also mentioning my name

or inviting me to their shows." These personal contacts multiply and improve the quantity and quality of social capital accessible by Native American business owners.

Building Social Capital: The Value of Networking

The importance of maintaining connections with other people was recognized by all of the learning circles. While some groups simply discussed this point, others put it into action. Facilitator notes from one circle reveal that "during the session breaks, many of the participants began their own networking mini-sessions amongst themselves asking more questions and passing business cards about [while] making actual new business contacts." Not only did business owners use the learning circle sessions to network with each other, they also discussed different strategies for networking with various groups and individuals necessary for the success of their business.

Connecting to Customers and Clients

Effective marketing approaches are important in connecting business owners to customers to ensure that the last link in the value chain is reached. Networking provides an opportunity to build a loyal client base. Attending shows, galleries, craft fairs and other public events is one way business owners establish the relationships essential for selling their merchandise and services to consumers or other businesses. "I go to a lot of these shows and to the galleries that I do business with. It's just a way of establishing clients...you can go into to some of these galleries and then they will promote your work for you ...One thing that really helped me a lot...was doing demonstrations. Then you get to know people, and basically you get orders for custom-made [products]." The atmosphere and customs that characterize these public events are an established forum for making contacts, and demonstrations allow people to become interested in Native American produced goods.

The presence of Indian artisans at galleries and shows permits them to connect with (potential) customers. A sponsor for educational workshops in the community admits he focuses much of his energy on "trying to help everyone make those connections to help [them] sell their work." Initially, making these personal connections is important, but many recognize that the Internet can potentially maintain connections once the initial contact has been made. As one learning circle participant suggested, e-mail updates or electronic holiday greetings can enhance communication with consumers at a reduced cost to the business owner.

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Laducer & Associates

Laducer & Associates, Inc. (www.laducer.com) is a Native American-owned company located in Mandan, North Dakota, that is not selling indigenous culture; instead, the company specializes in information management. It is owned and operated by James Laducer, an enrolled member of the Turtle Mountain Band of Chippewa. The company is independent of tribal influence. Laducer established the company in the 1980s to provide assistance to minority-owned businesses. Some of the first services he offered were business plan preparation and loan assistance, activities made possible in part through contracts with the Small Business Administration and the North Dakota Department of Transportation. In 1994, Laducer was awarded 8(a) certification by the Small Business Administration.

Today, Laducer & Associates has a diverse portfolio of contracts in both the federal and private sector, which is the key to this successful e-commerce business. Early links with public sector agencies like the SBA and North Dakota DOT helped make Laducer a formidable contender in the private sector. Robert Gayton, vice president of operations, says the public/private mix has been key to the sustainability of the company.

The company's partnerships with tribal interests have also been crucial. Its affiliation with Uniband, another 8(a) certified business tribally owned by the Turtle Mountain Band of Chippewa, led to a multimillion-dollar contract with the Immigration and Naturalization Service. Additionally, when Laducer & Associates expanded and changed locations to its current facility, it employed its own workers and Native American construction contractors to help with the move. Laducer's relationship with the American Indian community, while based on economic consideration, serves another function—that of employing a chronically underutilized Native American workforce. According to 1990 census statistics, 5 percent of the civilian labor force was unemployed in North Dakota, in contrast to 25 percent of the American Indian civilian labor force. A quarter of employees at Laducer & Associates are Native American, but the company does not have a policy of Indian hire. As Gayton points out, "We don't hire our employees because they're American Indian; we hire them because of the quality of work they produce."

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E-commerce offers small, Native American firms like Laducer & Associates the opportunity to compete on a national and global scale from rural America. At the same time, companies like this employ and train a traditionally underutilized workforce, build partnerships and strengthen rural economies. Native American-owned companies like Laducer & Associates are succeeding in more than just the business world—they are succeeding in transforming local resources into multiple benefits for area communities, tribes, the state and the nation.

Connecting to Suppliers and Service Providers

Another kind of networking that is important to business owners is their connection with suppliers. Necessary supplies might range from common items such as paper and pens to specialty goods such as rare metals or fibers or even computers. Learning circle participants expressed a desire to acquire needed supplies through other Native Americans either locally or on other tribal lands. "It would be really good if somehow we had a network where we could buy from other Indian providers, even on other reservations, and support other businesses that way." A mutually beneficial arrangement between Native American business owners was described from a woman in the learning circles who drafted a business plan for a jewelry maker just entering the business scene. She was paid in goods (jewelry) because the owner did not yet have the funds to pay her money for preparing the business plan. Without that personal connection, such an arrangement would not have been possible.

Besides supplies, businesses also need services that may include accounting, insurance, telecommunications, electricity, Web page construction and maintenance, garbage pick-up, etc. Developing social capital with tribal or mainstream suppliers or service providers can provide benefits to Native American-owned businesses. For instance, Laducer & Associates has "preferred" customer status with Compaq, allowing it to save on computer equipment.

Usually, businesses also need computer technical assistance. Tapping kinship ties through children and relatives was often cited as a possible approach to obtaining these services: "My brother…has an Indian-owned business…in California…He develops brochures, pamphlets, business cards, posters [on the computer]…and we might be able to do some networking with him." Comments like this show that the ties one business owner has may be offered as a resource for other business owners. In these cases, the presence of social capital allows individual relationships to transform human resources and information into business resources for the group.

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Connecting to Other Businesses

Native American business owners are inclined to cooperate with businesses offering similar or complementary services. Business expos, shows and craft fairs offer business owners the chance to connect with consumers as well as vendors with similar wares. The Native American Business Expo, hosted by Turtle Mountain Community College in North Dakota, is one example. The expo showcases and supports the development and growth of Native American business. Participants in the learning circles are often engaging in partnerships with businesses offering complementary services that promote an atmosphere of cooperation, not competition. In the tourism sector, for example, a partnership between a tour company and the owner of a bed and breakfast operation was established; additionally, the local flute player offered to play for visitors who take part in the tours and stay at the bed and breakfast.

Simply knowing people around town has advantages for business. Rather than actively soliciting business themselves, owners may get referrals. Visitors to a local museum may ask staff where to stay for the night; the museum staff may suggest the bed and breakfast down the street. Likewise, other guests already settled in at the bed and breakfast may ask about local sights and attractions and are referred to the museum. This is just one way in which reciprocal relationships and social capital contribute to the local economy without the presence of any formal agreements or contracts. However, forging personal relationships for the benefit of business can take on a more formal flavor when artisans make arrangements with local shopkeepers to sell their products. "The ones that really help us are the shop owners. Because if they like your work, they don't just order one piece." These two kinds of social relationships, though very different in nature, both make contributions to the business climate.

It is not surprising that many learning circle participants suggest that they face challenges together since cooperation is a large part of their business environment. Some identified a need for a Native American Chamber of Commerce to help promote local, interregional and intertribal networking useful to small business owners. Formation of a Native American Chamber can be helpful in merging common interests through cross-business cooperation. Business partnering provides a variety of benefits to both consumers and producers of goods and services. Sharing resources improves the chances that Native American business owners will find the support they need to succeed in their efforts. Training and technical assistance delivery should be specially crafted to improve these conditions, instead of following mainstream models that assume the presence of a competitive business atmosphere.

Gathering support from seemingly unrelated businesses is also important to economic development led by Native Americans. However, there is little evidence that these kinds of partnerships are forming among learning circle participants. According to their testimony, Native American business owners recognize that they need to improve on building the bridging social capital needed to run their businesses. One bed and breakfast owner revealed her efforts to purchase and display local artwork in her home, but felt she could not afford to support the local grocer. She may drive to the nearest city more than 100 miles away to buy groceries or services, despite increased travel expenses. This example shows that while business owners are likely to want their money to stay local, some may be engaging in contradictory economic behavior. Providing incentives and stimuli to keep resources within the control of other Native Americans is important. In order to do this, local business owners need to be able to connect their daily spending habits with the overall impact on the community. This will require an awareness of and cooperation with other businesses in the community to create a system of support that provides adequate compensation to local businesses as well as competitive pricing for consumers.

Connecting to Community

Rules must be established to govern community property and practices that can be marketed, along with those that cannot. The tribal community must make these decisions together. In many cases, decisions are made to curtail certain businesses like bus tours of sacred places since they treat sacred sites like curiosities. When those bus tours are operated by non-tribal members, this kind of business venture is recognized as doubly exploitive, especially when locals become the focus of the tour but receive no compensation for their (involuntary) participation.

Business-owning tribal members will need to align themselves with each other and their communities to decide what parts of their culture will be accessible, as well as the nature and frequency of that access. Each tribe must define the cultural traditions and information appropriate for transmission, who may transmit it, and in what way (Davis 2000). Throughout this process, key questions become apparent: What are acceptable levels of growth and development? What are acceptable ways to nurture small business development within culturally and geographically unique contexts of American Indian tribes and lands? Or as one learning circle participant so aptly put it: "How do we promote tourism [or other commercial efforts] without offending our [tribal] neighbors?" Defining appropriate avenues for providing access to Native American culture brings people together with a common interest in tribal welfare.

Participation of Native American business owners in civic life is another way to create community allies. Involvement brings exposure to their business, community and tribe when the organizations they join provide further opportunities to link with other groups. Serving on boards or volunteering for civic organizations and activities often has twin advantages: it builds social capital and provides clear benefits to business. "...As far as marketing, we heard early on that the best type of marketing is the type that you don't have to pay for. Right after we heard that, we were finishing up working on the bed and breakfast... [I was then asked] to be on the Board of Directors for [our region which] has been a real godsend because [our region] is one of the regions that *Travel Montana* covers... So, participation in that has really gotten the word out to a number of different people in relationship to our business, which relates to tourism. Many people who attend [Board meetings] are Chamber of Commerce folks and different tourism organizations..." Public exposure through participation in community and regional activities leads to new and renewed business contacts and potential. Joining civic organizations and serving on boards are ways business owners can build social capital to surmount physical, economic and social isolation on the reservation.

Connecting to Tribal Government

Serving on boards and volunteering for civic organizations is generally regarded as a valuable but unnecessary condition for Native American business owners' success. Then again, this may depend on the board or organization. Having a good working relationship with tribal government, for example, is considered critical, but it does not equate to tribal government having a direct involvement in business, such as the establishment of tribally-owned businesses. In fact, research conducted by Cornell and Kalt (1998 and no date) for the Harvard Project on American Indian Economic Development advises against it. They see the role of tribal government as one better served by encouraging partnerships to create an environment conducive to healthy business development. One learning circle member agrees. "I think...we need to bring industry and government together to see how we can work together because we want the same thing...I went to [city] twice for an Indian Economic Summit and then a statewide summit. I want to try to sponsor a...summit from the tribal side to bring business in and to try to set up these things. I have a few ideas but business is going to need [to take the lead role]... I don't want to come up with the agenda as a government person."

Some say that part of the problem with tribal governments is that they are entering a relatively new field when it comes to involvement in economic development: "I think our government is...willing and capable but when it comes to business, it is relatively new on this reservation." This is the reason why one learning circle

participant serving in a formal economic development capacity suggested the need for partnerships between government and industry. Such sentiments reflect the need for nation-building as described by Cornell and Kalt (1998). In order to do this, both tribal government and business owners need to recognize the valuable service each provides for the community. Engaging both parties in constructive dialogue is one step closer to that goal. "[It] really needs to be stressed to the tribal government about the importance of the small business owner, of what [we] contribute to the economy...we are already having a little skirmish with our own tribal government because I don't think that they really understand the concept that you are making a living... and that is one less family that they have to worry about...like for welfare rolls or trying to figure out how to get a tribal job for that (person/family). We are actually providing a service to the community."

Trust is necessary in fostering healthy networks. Skirmishes with government and jealousy about others' fortune are mentioned as hindrances to business development in some reservation communities. One resident did not trust the tribal council because of a former incident involving a business idea he had. When he presented the idea to the tribal council, the council members kindly offered to take an excessive share of the profit. The potential entrepreneur therefore abandoned the idea, but the incident was memorable enough to remind him of a sobering array of impediments to Native American business development. Trust in tribal government, including how trust can be harnessed if abundant and how it can be built if found to be lacking, needs to be a main focus in efforts to develop Native American businesses.

Tribal councils also should be involved in understanding the impact their decisions have on the local e-commerce climate, despite the fact they often have more pressing responsibilities that vie for their attention. In one learning circle, a member noted that the tribal council was currently involved in land issues, meaning that any e-commerce effort must be supported primarily by interests outside the tribal government. However, tribal government may still be reasonably expected to endorse the project. Meeting with representatives from tribal government will help business owners and government define expectations for their role in economic development, as well as the level of support civic and private sectors will be expected to bear.

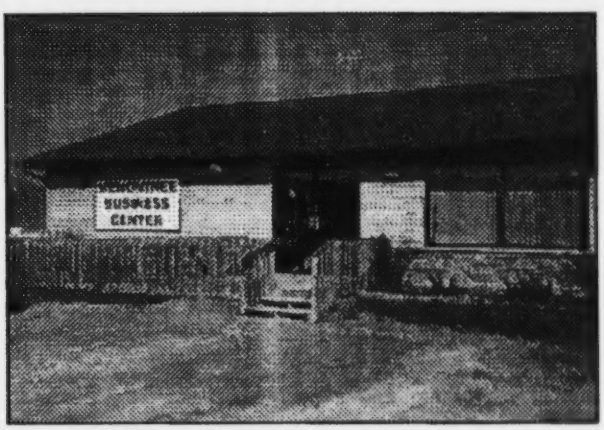
Gaining the support of local tribal governments is essential for the growth of Native American entrepreneurialism, especially when some tribal governments consistently patronize mainstream businesses because of more competitive prices. Although cross-cultural business relationships often provide tribal governments

with intangible benefits such as building social capital, striking a balance between costs and rewards of such actions will be an important consideration in achieving the overall goals of the tribe. Tribal governments should recognize that what benefits a Native American small business owner will also benefit the community. Local support from the tribal government will be needed to connect Native American business owners with resources accessible only by the government. It is justifiable that circle participants expect tribal governments to protect and promote a unique cultural heritage, which includes fostering a business climate conducive to such efforts.

Connecting to Other Tribes

Conferences and alliances are mechanisms through which intertribal cooperation can take place. "From a conference that we attended on Indian tourism a couple of years ago, an organization started called the Montana Tribal Tourism Alliance, which has united all of the reservations together to network. That has worked [well] for us, as...word-of-mouth [helps us] share business with other tribes...also attending those conferences." Networking with others in similar situations helps learning circle participants learn from varied experiences. It is part of the process of building bonding social capital when groups with similar values and interests interact to share information, and build trust in the process. Some tribes are spearheading an effort to make strategic alliances.

The Menominee Office of Economic Development participated in meetings with other Wisconsin tribes to address ways that commerce might better serve the unique needs of the Native American population in Wisconsin. The intent was to identify, discuss and develop recommendations concerning the issues and opportunities related to economic development for Wisconsin Native American citizens. The meetings revealed that while each tribe has its own unique problems, many tribes also face common challenges. For example, Menominee business owners have difficulties acquiring loans from lenders, because many of them lease land that is held in trust by the federal government (Mahkimetas 2002).



However, banks will not lend to business owners who lease, as opposed to own, due to lack of collateral. Issues like this receive attention in meetings and conferences and provide topics for policy changes needed to accommodate the special needs of Native American-owned businesses. In the process of sharing perspectives, tribes see what others are doing. These meetings provide a forum for exchanging valuable

information. Because of these contacts, a number of tribes are now asking the Menominee Business Center, a business incubator owned and operated by the tribe, for guidance in helping set up similar business incubators in their own area (Mahkimetas 2002).

Connecting to State and Federal Agencies

Native American business owners recognize the need for building bridging social capital with state and federal governments, an approach they feel will expose legislators and other politicians to the need for effective government policies. In turn, this may provide an avenue for feedback on the impacts such policies have on Native American populations; however, such an approach often depends on the quantity and quality of ties that already exist. One learning circle participant implied that relations between tribes and mainstream governments are strained: "Better relations from both directions with state government would sure help." Antagonisms often exist between tribal councils and state governments because of joint claims on resources such as land, water and hunting and fishing rights.

Tribes have faced many obstacles in establishing equitable relationships with mainstream government agencies. The Bureau of Indian Affairs, which was established by the federal government to manage Indian Trust lands, has repeatedly been accused of ineptitude, corruption and disinterest in reservation development (Cornell and Kalt, no date). Even the U.S. Congress has recognized this problem and leveled similar charges (National Congress of American Indians 2001). In September 2002, a federal district court judge found the Secretary of the Interior and Assistant Interior Secretary of Indian Affairs in contempt of court for their role in failing to resolve federal mishandling of Indian trust funds (Adams 2002).

Acting as the primary federal interface with Indian tribes, the BIA has historically failed to work with Native Americans as equal partners in development activities (Cornell and Kalt, no date). It should therefore come as no surprise that a lack of trust characterizes the relationship between Native Americans and departments of the federal government (although not invariably). Tribal access to bridging social capital has therefore been exceptionally weak, an area ripe for change. According to the business owners, change should occur within the structure, administration and attitudes of government in order for Native American businesses to benefit. "Whether or not they will really help you with your business...depends on the kind of people you have in [government] and the access you have to them..."

From an Indian perspective, change means getting state and federal agencies to listen to their ideas and use their input to make decisions about legislation.

Definition

Business Incubator: A service that works to enhance the development of entrepreneurial companies by providing business support. The final goal is to strengthen local and national economies.

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A new orientation should start by making adjustments to the power structures; mainstream government entities must be responsive to Indian requests for compromise and reciprocity. One learning circle participant in Montana described a prominent feature she remembers about her experiences with a state-level tourism agency: "Native Americans have a great deal to do with all the tourists coming into the state. I really don't think that that is recognized enough with Travel Montana. I have asked them year after year, 'Could you please…use the word "Indian"… as a word that links to your Web site… because people are going to be looking for an Indian adventure.' …They have so far not heard me..."

Despite what comes across as indifference from Travel Montana (the statewide tourism program administered by the Department of Commerce), one learning circle participant said she voluntarily pays the four percent lodging facility use tax (Montana Code, Chapter 65) required of other accommodation businesses but not those operated on reservations. "Technically, if you are on a reservation you don't have to [pay the tax] but we registered with the State because of the perks that come with Travel Montana. As an accommodation business, that four percent goes to Travel Montana for advertising for us." Moreover, a certain percentage of proceeds collected from the tax is earmarked for Montana heritage preservation and development (Montana Code, Chapter 65).

When mainstream government agencies at all levels listen to Native American concerns about technology, only then can they become truly responsive to the issues, many of which hinge on access to affordable technology infrastructure. Learning circle participants are fully aware that establishing outside links with representatives from state and federal agencies is necessary to make known the special needs of Native American business owners. Such relationships are also recognized by learning circle participants as critical for shaping more positive perceptions of Native American business owners. They want to be a part of these links but cannot do it alone; cooperation will be imperative between mainstream and Native American government and business. After failed attempts to establish equitable relationships, Native American business owners would like to see state and federal agencies take the lead.

The establishment of the Office of Tribal Justice within the federal Department of Justice has been a step in the right direction, but tribes should be consulted as an active partner in legislation or reforms that pertain to their welfare. A prime example of needed improvements in tribal and mainstream relations is the Department of Interior's approach to proposed trust reforms. These reforms were mandated by the U.S. Congress to address the Bureau of Indian Affairs'

mismanagement of Indian trust lands which has led to a class action lawsuit and ill-fated accounting and reorganization attempts (Nakashima and Tucker 2002). While the National Congress of American Indians and member tribes support reforms, they do not support the way in which the Department of Interior plans to carry them out. The NCAI issued a consensual statement opposing efforts to transfer the trust responsibility from the Bureau of Indian Affairs to a new department called the Bureau of Indian Trust Asset Management. "At the annual session of NCAI..., 193 Indian tribes unanimously adopted a resolution opposing this reorganization and transfer of the responsibilities of the Bureau of Indian Affairs. We strongly believe that this reorganization effort cannot go forward unless the Department [of Interior] consults with Indian tribes..." (NCAI 2002). Tribal leaders also point out that the Department Secretary's approach to "announce and defend" reforms does not allow tribes to actively participate in federal policy. Their exclusion effectively eliminates opportunities to actively engage and consult with federal agencies to develop alternative plans through open and consensus-based processes (NCAI 2002).

Making the Most of Cultural Capital: Recognizing Cultural Contrasts and Values

Indian criticism of federal agencies such as the U.S. Department of Interior reveal a cultural divide that pervades politics and decision making at the government level. A majority vote within a mainstream democracy is not the same as consensus reached within a tribal nation. Culture pervades not only politics, but every aspect of human life, including the economy. Differences between mainstream American attitudes and Native American business philosophies must be recognized before adequately addressing training and technical assistance needs.

As Mander (1991) points out, people indigenous to the United States traditionally had no concept of ownership. Land was communally managed and used for subsistence purposes; there was no production of surplus goods to be used as capital for accumulating wealth. These ideas are in stark contrast to the fundamental values underlying a mainstream economic system. Other cultural differences are worthy of noting: for example, Native American goods are produced for their use value, not for sale (Mander 1991). When goods are produced, Native Americans typically cooperate, rather than compete for private gain, to reach their production goals. Decision-making reflects a collective, participatory tradition and is generally based on consensual processes as the Tribal Leaders' Statement on Indian Trust Management Reform clearly reveals.

The Influence of Values on Business Strategies

Information gathered in the learning circles reflects pervasive cultural differences between mainstream and Native American business strategies and the goals sought for running a business. Technical assistance and training is best served by not trying to overcome or ignore these differences, but incorporating them into delivery techniques. One of the more prominent cultural variations concerns attitudes. In comparison to mainstream American business owners following capitalist principles, Native American business owners are not as assertive or aggressive. Native American business owners take a more passive approach to pursuing customers, increasing production and expanding operations. In fact, the profit-generating side of Native American businesses is an afterthought to primary reasons for engaging in activities that are based on cultural, not economic, goals.

Native American business owners often see business as a means to a lifestyle. "Even though tribes realize they need business to survive, entrepreneurship and capitalism create a real inner conflict for Indians, directly contradicting their culture" (Jahrig 1997:15). For some, this cultural contradiction means they engage in business practices to meet daily needs, not to reach economic capacity. Business also offers a point for human connections. Comments like, "We never intended for our business to become one where you just process people," reflect values that depart from the mainstream modes of production. This may help explain why Native American business owners do not seek growth and may even be uncomfortable with it. One learning circle participant tried to explain her father's feelings when faced with the idea of booming business. "He was afraid, 'Well, what if I get so many orders that I can't even keep up with them?'" Unmanageable growth can have a negative effect by leading business owners away from the cultural/economic balance they seek. Some growth is obviously desirable, or there would be little interest in applying e-commerce technologies to business endeavors. "I personally fear, and [what] I think that the majority fear [but are also] hoping for, is that it will go 'boom' and turn really big." It is clear that while some experience only fear, others may feel a mixture of excitement and trepidation at the prospect of the changes e-commerce may bring.

Trepidation may be a factor among those who lack basic technological skills because they have not had the advantages provided to technologically favored groups. For example, older generations often find themselves among the more technologically disadvantaged groups. Familiarity training, along with other forms of skills development and assistance, may help groups feel more comfortable with technology. This type of training may be needed because of an aversion to interactions that do not involve familiar human contact (Gordon 2001). Even if access and training are available, some business owners in the learning circles know

people who are fearful of learning new technology. "[My son] is electronic shy. He's scared of the computer stuff, so we kind of leave it as is..." Another participant admitted she was afraid herself or at least was in the past: "...a few years ago, I was deathly afraid of [computers]." She then went on to describe how she overcame her fear and conveyed the benefits computers have since brought to her life. Tribal colleges have become leaders in successfully addressing the fear factor and should become partners in developing new and comprehensive technical assistance and training programs.

Business as Community Service

Differing values and reasons for engaging in "work" activities, in addition to an aversion and possible conflict with adopting technology as a means of communication, illustrate the culture clash between Native American and mainstream business practices. Another difference is that Native American business owners view their work as a community service, and humorously accept profit shortfalls, alluding to their businesses as "nonprofit organizations." While businesses do provide jobs and employment for members of the community, some learning circle participants equally cherish the relationships they build from engaging in business activities.

In addition to the community service and social aspects of owning a business, many owners strive to educate the people with whom they interact. In this sense, they are building human capital through their social and cultural capital. One person noted the need to educate tourists on the lifestyles of Native Americans of today, not just the romanticized visions of the past, which involves deconstructing negative stereotypes. "We are kind of bridging the cultures here. We learn so much from the people who come to us and we try to give them something to take home with them. In return, we want to help them understand what Indian people are like, not just from the past but what we are like today." These particular business owners view themselves as modern cultural ambassadors, as they educate and learn from visiting tourists. As such, tourism-based workshops held on reservations are often centered around this concept and are offered to "help people understand the history and the culture of the tribe here."

Potential Risks of E-Commerce

Within the specific cultural setting of Native American business development, e-commerce will not invariably be a tribal good. While e-commerce offers unprecedented advantages such as instant access to world knowledge, low-cost self-publishing opportunities, and the chance to communicate and collaborate with people everywhere and anywhere (Odasz 2000), the technology does provide some

potential risks or dangers. Before following a program of self-development using e-commerce, these dangers should be addressed. As mentioned earlier, tribal cultural privacy may be threatened if culturally sensitive material is posted on the Web (Davis 2000, Odasz 2000). Existing tribal resources such as tribal colleges have already "learned to consult with spiritual and cultural leaders when addressing culturally acceptable ways in which to present information" (Davis 2002). A dialogue should occur between business owners and the tribal community when deciding appropriate information to publicize. Spiritual leaders will discourage tribal members from releasing inappropriate information about sacred tribal ceremonies, celebrations, rituals, or objects and places (Davis 2000, Davis 2002).

A second risk to Native American business owners is the access the Internet provides to intellectual property and the ease with which such material may be reproduced. Copyright laws protect cultural expressions such as printed matter, choreography, drama, art, and music and sound. These laws enable the copyright holder to exclusively reproduce a work, prepare derivatives and distribute them for profit. However, the rights of a copyright holder are limited to some extent by the doctrine of "fair use," which allows copyrighted work to be used without permission for purposes of teaching or research, for example. But "the development of a body of law to define what uses are fair in a digital, networked world is still very much in its infancy. The technology of the Internet makes copying quite easy, and the culture of the Internet tends to encourage the idea that information wants to be (or should be) free" (Satterlee, Stephens, Burke & Burke, no date).

Due to the ubiquity of the Internet, unlawful reproduction—along with claims made by the seller of a good—can be difficult to monitor. The Indian Arts and Crafts Act of 1990 is a truth-in-advertising Act that imposes penalties on the misrepresentation of Indian arts and crafts, making it unlawful to sell any good that falsely suggests it is Indian produced or the product of a particular Indian or tribe (25 CFR Part 309 [1996]). However, this does not prevent members of one tribe from falsely reproducing designs from another tribe (which would be protected under copyright law) as long as they do not make false claims. Furthermore, the Act does not address trademark law which differs from copyright law, in that trademark law only protects product identifiers such as names, logos, phrases and symbols. The inability of the Indian Arts and Crafts Act to protect Native American artisans from trademark violations was the subject of criticism during the Act's public response. Language in the Act asserts that trademark provisions will be addressed at a later date.

A third danger related to the use of e-commerce concerns the misuse of its primary form of communication—that of the Internet and the access it provides to harmful or negative information such as pornography, violence or drug manufacturing. These threats are not limited to Native American business owners but to everyone involved in e-commerce or having access to the Internet. Tribes might therefore discuss limits on cultural information that is channeled out, as well as limits on the kind of information they will allow in. Some tribes might choose to limit incoming information through the use of Internet blocking software (Odasz 2002). On the other hand, tribes may also find that such software limits access to desirable information as well. A review of the risks should include consideration of this issue.

Another risk posed by access to the Internet and engagement in e-commerce is computer security. Tribes and business owners must be prepared to protect sensitive information stored on computers from so-called cyber security breaches. Customer information such as credit card numbers or confidential information produced for government agencies is especially vulnerable to attacks. Appropriate steps companies can take to protect themselves and their clients involve the installation of traditional security systems such as key-coded doors and security cameras, as well as technology-based systems that employ the use of passwords, firewalls and virus protection software.

Despite the potential costs presented by the adoption of Internet technologies, complete non-use of the technology might mean the continued exclusion of enterprising tribal members from enjoying its potential benefits. Assessing the costs and benefits and devising a plan to minimize the potential risks will be important steps in determining the Internet's value as a tool for economic development among Native American business owners.

Enhancing Human Capital: E-Commerce Recommendations

Even if limitations of access are eliminated, cultures bridged, healthy relationships established and risks minimized, other challenges remain. Native American business owners must be able to identify a need for and interest in attaining the necessary skills and required training to use the technology before any program is pursued. In other words, they must have access to the necessary human capital to make it all fit together. Tribal colleges already serve as an invaluable resource in linking Native American business owners with the skills they need to survive in an

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e-commerce economy. Private consulting firms may also offer promising resources, and include a wide variety of services for strengthening tribal communities via Internet-based learning or e-education (Odasz 2002).

The following general recommendations for building human capital via training and assistance are based upon learning circle discussions and take into account the cultural needs described by study participants. The overarching assumption implicit in the following recommendations is that building a variety of partnerships through networking will be critical in delivering an effective training and technical assistance program. The recommendations stated herein will require partnerships between various groups such as tribes, tribal colleges, tribal governments, mainstream government, the private sector and the civil sector. A good example of such a partnering effort is the Tribal Technologies Initiative spearheaded by the nonprofit Council for Excellence in Government. The initiative is expected to strengthen federal and tribal partnerships for tribal benefit. To fulfill the objectives of the initiative, the Council is convening representatives from the Bureau of Indian Affairs, Administration for Native Americans, National Indian Business Association, Federal Communications Commission, the General Services Administration, other federal agencies, tribal governments, tribal-owned businesses, the private sector and research institutions (Council for Excellence in Government). Cultivating partnerships between a variety of groups can increase the level and value of human, social and cultural capital that can contribute to Native American development of for-profit services.

Recommendations for Technical Assistance and Training

Approaching Native American empowerment and sovereignty issues through strengthening human capital will provide immediate benefits and will lead to increased social capital and cultural capital. The involvement of a variety of agencies and groups in enhancing human capital among Native American business owners will require social capital inputs, as well as cultural inputs. And unlike financial capital, using social capital actually increases its stocks, rather than diminishes them. Each point, if implemented, is expected to help Native American business owners achieve the multiple business outcomes they seek as already defined by themselves, their communities and their tribes.

1. Skills training must be delivered to tribal business owners where they live. Delivering training on-site makes it more accessible, convenient and affordable and sends a clear message that the concerns of Native American business owners have been recognized and are indeed important.

2. Training and technical assistance should focus on practical, hands-on training to help business owners perform real functions needed to operate their business.

3. Needs assessments will be beneficial in determining whether or not e-commerce will actually help Native American business owners. Depending on the nature of the business, some owners might not find it useful.

4. An assessment can be conducted in conjunction with sharing information on the use of e-commerce and available options (hardware, software, costs, functions, telephone/cable/wireless requirements, etc).

5. Assistance and training might best be delivered by Native Americans. This can be envisioned as a "train the trainer" program, by employing tribal members as trainers, which would establish contacts between tribes, business owners and those on the cusp of new technologies. If not a tribal member, another option is to employ someone "politically neutral, but sensitive to cultural issues [who] can cover more ground more effectively than someone polarized by local or regional politics" (Odasz 2002). These training programs build both Native American human and social capital resources and can be made possible in cooperation with tribal colleges, tribal business information centers, business incubators, or other tribal resources.

6. When scheduling training sessions, the season and time of day should be a consideration in order to avoid conflicts with activities that may otherwise engage willing participants. For example, summers may be too busy for businesses in the tourism sector. Likewise, days may not work well for business owners who hold other jobs. The ritual calendar of each tribe should be honored.

7. A parallel program of business mentoring, sponsorship or support groups should be implemented to help new owners address each challenge. These support groups should be comprised of both similar and dissimilar businesses. Support groups may address business aspects such as financing, insurance, taxes, payroll, budgeting, legal issues, computer technology, marketing, business plans, etc.—issues common to almost every type of business.

8. Many learning circle participants are interested in group Web sites to minimize their business costs, share experiences, access technical support and save time. A how-to model for creating a group Web site should be developed. The Internet offers some resources for helping business owners build Web sites, and some sites even offer to host business Web pages for free in exchange for advertising (Odasz 2002). A collective approach to e-commerce will assist many short-staffed and overworked business owners who have a limited budget and little time for committing themselves or resources to complex and expensive technologies that they are not equipped to adopt. Instead, they may be occupied with acquiring materials, managing production and locating markets. A collective approach is thought to minimize this obstacle by distributing tasks and responsibilities among a variety of people.

9. Merely accessing the Internet does not mean instant success in sales. One Hopi learning circle participant stressed the need for understanding basic techniques that effectively maximize Internet capabilities. Registering on appropriate search engines, using key search words and ensuring that sites load quickly all have an impact on the effectiveness of e-commerce. Making the text concise and clear and designing the site for easy navigation are also important factors in attracting electronic interest in the business. Comprehensive workshops should be held that address such information.

10. Children are frequently mentioned as technical resources while schools in particular are recognized as sites with access to reliable and rapid electronic infrastructure. Partnerships between the business community and the schools should be developed to optimize these resources. Designing curricula to build the computer skills of students that can be used for community benefit should be pursued while recognizing that there will be some limitations due to fund appropriation restrictions (i.e., public resources cannot be used for private gain).

11. Training programs should maximize information delivery in the short-term, but should also focus on long-term needs of Native American business owners. For example, to keep up with changes in e-commerce technology, there will be a continued need for education and funding for hardware and software upgrades, as well as skills training for necessary upgrades that are inevitable.

12. For some learning circle participants, training is preferred at a central location in a semi-public setting. This approach is desired in order to provide public monitoring of who is using common resources and how those resources are being used. Such an approach is expected to provide greater transparency than, for example, in-home delivery of training and assistance. Public accountability and transparency are considered important in building trust and relationships among tribal members.

13. Most, if not all, of those participating in the learning circles want to learn how to use the Internet and related technologies themselves, rather than relying on technical consultants to provide computer services to their business. By relying on consultants, many feel they would continue to be excluded from the very knowledge that has the potential to deliver them into a more equitable and just lifestyle. Knowledge is power and control.

14. Because trepidation may be a factor among those who lack basic skills to use information technology, culturally sensitive familiarity training should be initiated to address this underexposure and to build confidence. An example of how such training might be pursued appears in material prepared by Frank Odasz in *Echoes in the Electronic Wind: A Native American Cross-cultural Internet Guide*, a publication focused on attaining Native American self-sufficiency through the use of electronic computer technology. Tribes should consider specifically tailoring training to meet the unique needs of tribal members seeking such assistance. This can be done by carefully planning a training program to make learners comfortable. This may include attention to the physical setting, who is delivering the training, the learning pace and whether learners will each have a learning "helper" (perhaps a school-aged relative, for example) to guide them in the learning process. Training should also emphasize the need for linking learning with quick and tangible results as a source of building confidence and interest. An effective training program will focus on creating self-motivated learners by nurturing the cultural, spiritual and intellectual assets Native American business owners have to contribute (Odasz 2000). The amount or duration of familiarity training needed will depend on the levels of comfort and confidence reached by program participants.

Enhancing Tribal Assets: Recommendations for Different Groups

In addition to strategies specific to delivering technical assistance and training, the following recommendations target different groups whose involvement will be critical in taking a more comprehensive approach to enhancing tribal assets. A set of recommendations is provided for each of three groups: 1) Native American business owners; 2) tribal governments, activists, advocates and communities; and 3) mainstream governments. Each set is divided into two categories: Those which make use of existing resources (through significant investments of social and human capital and less financial investment), and those which require the commitment of new resources (significant financial investment). This classification scheme shows that while significant financial inputs are needed, some actions can be taken immediately that do not require large financial inputs; however, they may still require considerable time commitments.

Recommendations for Native American Business Owners

The following recommendations are expected to help build tribal cultural, social and human capital in order to stimulate economic development on tribal lands.

- Actions which build on existing resources (minimal financial investments):
  - Explore creative direct marketing methods to eliminate the middleman in business-to-consumer transactions. Explore ways to shorten the value chain by conducting your own marketing campaigns, locating buyers and otherwise eliminating the middle links to decrease risk, provide greater financial benefits and increase control over the final output.
  - Buy to support other Native American business enterprises.
  - Cooperate with other business owners (and consumers) to address concerns about local product availability, selection and cost of goods. Design creative solutions to benefit tribal retailers and consumers.
  - Consider self-development options that optimize the use of resources by establishing partnerships with a variety of private, public and civic interests and groups. In the long-term, these sources may stimulate more self-sustaining development than those reliant on federal funding.
  - Become policy advocates for your area. Ensure that policies such as those set by the Federal Communications Commission and acts relating to copyright/trademark law take into account the unique Native American experience.
  - Identify and enroll in any computer courses or training opportunities offered through local tribal colleges, business development centers, or other organizations.

- Contact the nearest tribal college to learn about business resources in your area.
- Pursue business opportunities that add value to your products and services. Adding value can create consumer loyalty for quality and can help generate more sustainable income. Locally produced value-added products can also foster a common place- and culture-based identity among producers and citizens.
- Join community volunteer organizations as well as local and regional business organizations to build social capital. Referrals and collaborations can build all businesses. Serve on boards to mobilize resources for your community and tribe.
- Pursue initiatives to establish other forms of economic development on reservations that do not involve tourism or sale of culture. Tribal assets are more than just cultural.
- Identify businesses in your area that may be interested in providing complementary services or sharing resources with you. Forming a Native American Chamber of Commerce if one does not already exist, may help formalize the need for encouraging business cooperation in your community.
- Weigh the risks of using e-commerce for your business. First and foremost, ask yourself whether it will be useful. Will it enhance communication with customers and/or other businesses, make your business operations more efficient, and help you meet your expectations of business success? Or will it expose secrets of the tribe or subject your work to easy imitation?
- Develop a solid business plan for your business. Consider creative alternatives that reduce the operating budget such as trading goods and services.

- Actions which require commitment of new resources (financial investments):
  - Employ a mixed approach to marketing. If you have a product, skills or services to sell, attend trade shows, fairs and other events to establish personal connections. These contacts may prove beneficial when it comes to providing opportunities for your business. Information gained through these contacts can be a critical turning point.
  - Attend conferences, workshops and meetings to dialogue with state and federal agencies. Express your concerns in these forums.
  - Work to establish a good credit history and identify sources of capital for your business. Help organize efforts to establish a tribal small business fund.

Recommendations for Tribal Governments, Activists, Advocates and Communities

A course of action that tribal groups can collectively take may differ from what individual business owners can do on their own. The following list suggests focal points that tribal groups can address together.

- Actions which build on existing resources (minimal financial investments):
  - Identify public and/or private funding and partnering opportunities that might provide support for tribal efforts to pursue e-commerce. This might include partnering with computer companies, phone companies, tribal college personnel and students, local schoolchildren, tribal governments, the Small Business Administration, the Bureau of Indian Affairs, the National Congress of American Indians, etc. Inform partners of your goals and learn about theirs. Determine common inputs and actions needed to achieve those goals.
  - Pursue a program of confidence-building at the local level by establishing partnerships between tribal colleges, business development centers, tribal governments, business owners and tribal members to familiarize business owners with the use of computers.
  - Establish mentoring programs between business owners (whether similar or different) in the tribe and community that provide both computer and non-computer related support. Such relationships can foster the exchange of information on tax, marketing and budget experiences, for example.
  - Form peer committees within the community to help individual business owners reconcile new ways of production with old ones. This may involve new interpretations or new applications of tribal customs. Peer committees may also provide the social support and validation needed to permit business owners to adapt their production methods to a modern context.
  - Investigate telecommunications access in the community in terms of needs and opportunities. Engage local phone carriers, business owners and the public in a dialogue on considering ways to address the telecommunications needs of the tribe and how challenges can be collectively overcome.
  - Assess the degree to which a rural addressing system could aid business operations. Talk to local county and state officials about the possibility for cooperation and funding.
  - Discuss wireless options for the reservation.
  - Encourage the development of private business development that is not tribally owned to separate politics from business.

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- Pursue initiatives to establish forms of economic development on reservations that do not involve the sale of culture. Tribal assets are more than cultural. While culture is important to tribal economies, tourism and service related jobs are only one potential economic route. Information technology can also be performed in isolated areas and has an assured role in the future economy.
- Convene groups and/or committees to determine what kind of cultural property is appropriate for sale or public access.
- Consider technical assistance and training in e-commerce as only one step in an overall nation-building effort to improve sovereignty through economic development on tribal lands.
- Engage tribal groups in dialogue about collectively handling risks that can accompany e-commerce. Tribes should enlist the support of their members and communities to weigh those risks against the benefits before embarking on a quest to incorporate e-commerce models into business strategies.

- Actions which require commitment of new resources (financial investments):
  - Establish a training program that involves youth and elders together in learning. Seek out collaborative relationships with local schools (K-12) to optimize and enhance the technological acumen of tribal youth. Youth can serve as helpers and mentors for adult business owners as they begin to integrate e-commerce approaches into their business activities.
  - Organize a community computer workshop to showcase the technological possibilities and innovations available for use in tribal small businesses. Provide a knowledgeable person who is sensitive to the culture to talk about their applications, advantages, disadvantages, specifications and prices, and to answer questions that business owners might have.
  - Help business owners locate sources of credit and financing. Take an active role in establishing creative funding solutions, like a community revolving loan fund or small business loan program. Coordinate cooperation between local lending institutions, foundations, private companies and federal agencies for this purpose. Credit programs that are initiated should also be able to provide individual case management and seminars on establishing good credit.
  - Help business owners develop sound and creative business plans through local tribal colleges, business incubators and business development centers.
  - Conduct an educational seminar especially for tribal leadership on ways to break down barriers and promote healthy development in tribal communities. To carry this out, Odasz (2002) suggests an "executive overview training for leadership."

- Assess levels of community trust in tribal leadership, as well as trust between other groups and individuals. If trust within the tribe is low, cooperation will be difficult, divisive and exclusive where interaction may be characterized by suspicion. Measures will then need to be taken to build trust through frequent and open interaction.
- Consider adopting a uniform commercial code to set procedures and protocols that help ease investor anxiety about conducting business on reservations.
- Designate a committee or group to establish an enforceable copyright and/or trademark registration system to protect business owners from unlawful reproduction of tribal intellectual property.
- Host conferences and summits by inviting relevant tribal and mainstream groups to exchange ideas and knowledge on tribal development opportunities.

Recommendations for Mainstream Governments

Mainstream governments and policymakers will play a crucial role in helping tribes reach sovereignty goals by creating conditions that increase access to and use of e-commerce. Steps these government agencies can take range from changing attitudes to allocating resources for Native American e-commerce development.

- Actions which build on existing resources (minimal financial investments):
  - Understand that strong reservation economies contribute to strong regional economies.
  - Hear the issues of Native American groups and business owners, learn from the dialogue and respond to their concerns.
  - Be sensitive to the ritual calendar of tribes when scheduling meetings with Native American business owners and groups.
  - Provide policy aid and assistance that preserves cultural integrity while promoting economic development on tribal lands.
  - Integrate Indian history and culture into state tourism and other economic development strategies. States and counties will both benefit from successful economic development on tribal lands.
  - Understand the role of trust in policy outcomes. Design policies to support programs that build trust between tribes and mainstream governments. Require a trust-building component as one criterion for granting federal aid.
  - Take steps to build trust. Offer resources before asking for any in return, but do expect reciprocity. Contrary to some mainstream beliefs, Native American business owners do not want a "free ride." Native American business owners want to be self-sufficient and independent in their

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business efforts and will observe norms of reciprocity if treated with respect and dignity as equal partners in development.

- Remove barriers to Native American participation in government. Invite business owners to participate in conferences, meetings and initiatives that may have an impact on them. Have an open-door policy when it comes to fielding any questions they may have.
- Instead of increasing control over the use of government resources used by Native American groups and business owners, mainstream governments must learn to relinquish control. These governments must learn to provide assistance without influence from mainstream governments that often interfere with tribal empowerment and sovereignty goals.
- State telecommunications agencies should discuss wireless options with tribes. Initiate a dialogue and determine ways state agencies can help tribes overcome some of the barriers they might face in getting wireless systems up and running.
- Consider the negative impact urban-based models of development have on rural settings. Bear in mind that regulations based on urban models, such as those governing wireless services, are not likely to be appropriate in governing telecommunications on rural tribal lands. Assess federal telecommunications policy proposals for their potential impact on Native American business development. Allow for the use of rural models for communications systems such as wireless service. Encourage policies that relax regulations for wireless on tribal lands.
- Consider ways government can help tribal interests shorten value chains. For example, find out if there are state resources already available to link tribal producers directly to consumers. State-sponsored Web sites on activities in Indian country will allow tourists to link directly with business owners. Tribes that are able to eliminate the middle links from production to consumption will be better poised to control the process and quality of the final product or service.
- Support initiatives to establish forms of economic development on reservations that do not involve the sale of culture. Tribal assets are more than cultural. While culture is important to tribal economies, tourism and service related jobs are only one economic possibility. Positions created from technology industries offer the potential for high-quality jobs and can be performed in isolated areas with an assured role in the future economy.
- Help tribal governments learn about measures they can take to break down barriers to economic development, as well as ways they can promote prosperity based on lessons learned in county, state and federal government. State governments can help identify conditions and procedures that have aided development on non-tribal lands. Segments of

what these governments have learned can then be transmitted to program developers focusing on the special Native American experience.

- Create and design information materials that are easy to use and offer accessible language. Be cautious about asking for personal information when Native American business owners request assistance from mainstream government agencies. Asking too much too soon without offering anything in return can erect barriers that further complicate already limited dialogue and low levels of trust between government agencies and Native American populations.
- Recruit tribal colleges and business centers as partners in nation-building and delivering technical assistance and training. Both have already made considerable investments in tribal communities to gain the respect and confidence of Indian people.
- Design policies to support comprehensive Native American business development that contributes to nation-building. Technical assistance and training in e-commerce is only one step in an overall effort to improve economic development opportunities among Native Americans. Other related issues deserving policy support include capital leverage, business plans, credit counseling, confidence-building, familiarity training, trust-building, networking, etc.

- Actions which require commitment of new resources (financial investments):

  - Send well-informed county, state and federal representatives to participate in conferences and summits hosted by Native American tribes.
  - Invite Native American representatives to lead and conduct cultural awareness training for government staff that interacts with Native American populations, or send these staff to cultural awareness workshops.
  - Provide incentives to encourage the initiation of tribal entities that provide credit and financing opportunities to Native American entrepreneurs on tribal lands. Fund proposals for tribal credit and loan programs that will help Native American business owners manage business finances.
  - Provide human resources to help tribes and tribal colleges develop business plan training courses and outreach. Rethink the application of business plans in tribal settings according to tribal definitions of business success (contributing to community, education, confidence, etc.).
  - Consider the need for rural addressing on reservations. Offer planning and design support along with technical assistance and training to implement rural addressing systems.

- Commit to a policy of expending state and federal funds on tribal telecommunications infrastructure. Many tribes do not have access to the financial capital needed to create the necessary built capital. Without the proper infrastructure, e-commerce will not be available for use as a tool in reaching sovereignty and self-determination goals of tribes.
- Support funding initiatives that deliver technical assistance and training to Native American business owners on-site which "train the trainer." This may include e-education initiatives. Such programs will build the technical skills of minority business owners and at the same time, will build local leaders. Both outputs serve to enhance human capital in tribal communities.
- Offer financial incentives like tax credits and deductions, wage subsidies and capital gains exclusions to the private sector for partnering with Native American businesses. Designation of the Turtle Mountain Indian Reservation in North Dakota as a Renewal Community in 2002 was one step in meeting this objective.
- Compose and initiate legislation on the trademark segment for the Indian Arts and Crafts Act of 1990.
- Enforce the Indian Arts and Crafts Act of 1990 to prevent the imitation and sale of Native American work by non-Indians (this may require international cooperation since citizens in other countries are violating this Act). Recognize the authority of tribal governments to establish a registry of the tribe's intellectual property and produce policy that enforces legislation.
- Measure and evaluate state and federal relationships with Native American tribes in terms of their quality rather than quantity. Gather qualitative feedback from Native Americans on their experiences with government agencies and use the results to restructure the way mainstream government agencies respond to and interact with these groups.
- Evaluate Native American business projects funded by federal dollars to determine the extent to which assistance supports self-sustaining tribal community development and accomplishes sovereignty goals.

Conclusions

E-commerce can potentially offer promising opportunities for economic development on tribal lands. Lands within the reservation system comprise 2.5 percent of the land area of the United States (Casey et al. 1999) while, according to 1990 Census figures, Native Americans living on American Indian Reservations and Trust Lands comprise just under .2 percent of the total U.S. population (U.S. Census Bureau 1993). This group of roughly 437,000 people has been economically disadvantaged for many years, despite holding a disproportionately high level of development rights to some of the nation's natural resources such as coal, oil, uranium, grazing land and commercial timber (Casey et al. 1999). For example, in 1989, the average annual per capita income for an American Indian on reservations or trust lands was $4,478, roughly one-third the per capita income of $14,420 for Americans as a whole. Similarly, the median household income on reservations and trust lands was $12,459, less than half the median income of households in the U.S., which was $30,056. Employment rates gleaned from 1990 Census statistics are also discouraging. Just half (51.1 percent) of Native Americans ages 16 and older were part of the labor force, whereas 65.3 percent of persons 16 and older were employed in the labor force in the United States. Comparing the percent of people living below the poverty line on reservation and trust lands (50.7 percent) with that of the nation (13.1 percent) in 1990 paints a similarly grim picture (U.S. Census Bureau 1993).

Clearly, Native Americans suffer from economic disadvantage, even though some non-Native Americans might believe that endowments of natural resource development rights offset these disadvantages. This is simply not true given recent developments in the class-action lawsuit charging the federal government with persistent mismanagement of Indian trust funds. The presence of resources is one thing; the development and control of those resources is another. Unfortunately, despite the decree of sovereignty on paper, Native American populations have had little real control over tribal resources and continue to lack useful access to social, human and financial capital. One goal of this report has been to target the relationships between these factors as they relate to economic development—namely, the adoption of electronic technology in e-commerce. Another is to find culturally appropriate ways in which e-commerce can be crafted and used in economic development efforts to attain outcomes of tribal sovereignty and self-determination. Converting one kind of capital investment into another will be key to these goals. Financial capital can be used to develop human capital through sharing knowledge (thereby building social capital). Increased acceptance and use of computer technology in culturally relevant ways among Native Americans will

also lend to stocks of cultural capital, while at the same time make contributions to the tribal economic base.

A combination of special geographic, social and cultural contexts characterizes the Native American business experience. Establishing enterprises on reservations in remote rural locations has meant that business owners face a whole host of challenges. This involves poor, if any, access to the same technological infrastructure that offers relatively incredible convenience to urban or suburban areas such as low-cost, high-speed Internet lines and wireless service. Urban areas have the advantage of being close to their markets and serving as the model for nationwide telecommunications policies. Yet the telecommunications industry's unfavorable response to rural geography by failing to develop infrastructure is not wholly responsible for all of the challenges facing Native American business owners. As evidence from the learning circles shows, cultural differences shaping the political and economic arenas are perhaps even more serious impediments to Native American business development. All of these issues must be approached together in order to effectively address a program for technical assistance and training. Bridging the *digital* divide will require bridging the *cultural* divide.

The mainstream will have to acknowledge and respect Native American business owners' definitions of business success in terms of specific short-term business outputs and long-term social outcomes for the tribe (Table 2). Native American business owners, when compared to their mainstream counterparts, define business success according to a different set of criteria.

Table 2. Native American indicators of success in terms of business outputs and tribal outcomes

Native American Indicators of Business Success
Contributions to community service
Ability to build a robust local economy
Lifelong education opportunities
Improved quality of life for tribal members
Building of individual, community and tribal confidence
Formation of quality interpersonal relationships
Connections between the land and business owners and their families
Preservation and protection of cultural values
Veneration of cultural rituals and heritage
Generation of a sustainable income

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While mainstream business owners tend to focus on generating a sustainable and healthy profit margin, Native American business owners generally consider the steady income output as a secondary objective. Technical assistance and training should therefore be designed to produce outputs and outcomes related to Native American definitions of business success. These include contributions made to community service, the local economy, education, quality of life of tribal members, community and tribal confidence, quality interpersonal relationships, connections with the land, adherence to and perpetuation of important Native American values, veneration of Indian cultural rituals and heritage, and a sustainable income.

An effective technical assistance and training program will be designed to recognize these measures of success and incorporate them into delivery strategies. It will also acknowledge the limitations of relying on e-commerce as a single solution for promoting outcomes of Native American self-determination, empowerment and sovereignty because of the potential risks. As the learning circles reveal, Native American business owners are concerned that e-commerce without appropriate, attendant copyright laws will threaten them with the loss of intellectual property since the Internet can easily subject art and craft designs to quick reproduction. If not managed carefully, e-commerce can additionally provide instant tribal access to possibly harmful outside material. Getting connected to the web and the world also means that sensitive information may be made accessible to outsiders and can serve as a source of limitless public access to sacred spiritual knowledge that is the collective property of the tribe.

Tribes will therefore need support at the federal legislative and judicial levels to accompany technical assistance efforts. However, historically and presently, the political and social climate surrounding Indian-mainstream relations has been less than ideal for supporting Native American business owners. Many of the policies and attitudes surrounding interactions between tribal and nontribal interests are clear examples. An air of distrust and suspicion permeates many of these relationships and provides a starting point from which to launch social capital construction efforts. Building bonding social capital within similar groups and rebuilding bridging social capital across different groups will be an important step in creating equitable partnerships necessary for true collaboration, not just for those involved in the sale of arts and crafts, but other enterprises as well. Only then will challenges be transformed into healthy development opportunities.

Evidence presented in this report is based on testimony from learning circle participants, whose business experiences were often focused on business-to-consumer activities within the tourism and arts and crafts industry. Data collected

during this study was also supplemented by personal communication and literature reviews. Such methods do, however, present limitations. As noted earlier, because the results in this report cannot be generalized to all tribes across the country, the information and perspectives may be narrow since all topics relevant to Native American participation in e-commerce were not analyzed. For example, noticeably absent from the learning circle discussions (but supplemented by personal communication) were experiences relating to the use of e-commerce in business-to-business applications, such as manufacturing or information management. Policymakers and analysts should view this lack of evidence as an opportunity to support new economic alternatives on tribal lands.

The mainstream's control over the definition of sensible business practices has shaped many of the conflicts Native American business owners face today as they begin to integrate more mainstream approaches into their business strategies. This has led to "a gradual and reluctant acceptance of Native-owned businesses... though some reservations are more open to development than others" (Jahrig 1997: 16). If the mainstream expects to contribute in any way to the self-development efforts of Native American tribes, it must do so in culturally appropriate ways. More importantly, it must also offer Native American business owners, groups and stakeholders a place at the table. Tribal colleges, incubators and business information centers can provide a wealth of knowledge in these matters. In order for the mainstream to make any real contributions, they must listen and learn from Native American groups, and offer Native American business owners appropriate access to built capital, social capital and human capital. Inclusion and access alone, however, are insufficient. Quality of access and inclusion are important too. This requires learning about how to engage in equal partnerships and the participation of and consultation with populations that will benefit from technical assistance and training. The participatory strategies recommended in this report are offered as alternatives to achieve broader sovereignty and nation-building goals. If properly designed and delivered, technical assistance and training will strengthen social, human and cultural capital both within and between groups that can contribute to tribal economic development and serve as a resource for everyone involved.

Appendix A

Learning Circle Discussion Questions

1. Tell us about your business. (What services do you provide or what goods? How many employees do you have? Mainly things that you feel are important about your business.)

2. How do you get the raw materials that you use for your product or service?

3. How do you market your product or service?

4. Have you had problems marketing your service or product and what would help you overcome them?

5. What kind of access do you have to electronic communication and information?

6. Do you use electronic communication and information in any way in your business? Explain.

7. Can you think of the kind of technical support and training that might help you improve your marketing?

8. If a class or training would be offered, what time would be best to offer it?

9. What is your vision for your business and community in two years?

10. Would you share any concerns or issues not already addressed as it relates to Indian-owned businesses?

Thank you very much for your participation!

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